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July 14, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following information requests:

From the Attorney General:

AG-1-83 (Supp.)	AG-3-42 (Bulk)	AG-11-11	AG-12-7
AG-12-8	AG-12-9 (Bulk)	AG-12-11	AG-19-1 (Bulk)
AG-19-13	AG-22-19	AG-26-1	AG-26-2
AG-26-4			

From DOER:

DOER-1-15

From the MP:

MP-1-1	MP-1-2	MP-1-3	MP-1-6	MP-1-9
MP-1-11	MP-1-16	MP-1-17	MP-1-18	MP-1-19

From the UWUA:

UWUA-2-12

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)

A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)

Andreas Thanos, Assistant Director, Gas Division (1 copy)

Alexander Cochis, Assistant Attorney General (4 copies)

Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: July 13, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

Supplemental Response

AG-1-83: Please provide in list form all fines and/or penalties paid or agreed to be paid in whole or in part by NiSource and/or the Company in each of the years 2003 and 2004 including the nature of each such fine or penalty, the date assessed, and the entity assessing NiSource and/or the Company. Provide this information even if appeals are pending and note every instance of an appeal.

Response: As a general matter, fines and penalties incurred by the Company are booked below the line and not included in the cost of service for ratemaking purposes.

In the ordinary course of business, neither NiSource nor Bay State maintain any consolidated list of "fines and penalties" and therefore Bay State is attempting to compile a list of any fines or penalties during 2003 and 2004 and expects to supplement this response when it completes its review.

Supplemental Response:

Review was completed with division managers regarding dig safe fines. All were recorded below the line during 2004.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: July 13, 2005

Responsible: John E. Skirtich, Consultant

BULK ATTACHMENTS

AG-3-42 Referring to Exhibit BSG/JES-1, Schedule 6, page 7, please provide the following information regarding the Sales of the Westborough Building and Land:

- (1) a copy of the purchase and sale agreement along with all other associated amendments and agreements thereto;
- (2) a copy of all subsequent leases and / or agreements for use of the facility by the Company;
- (3) the cost / benefit analysis associated with the sale that was used by the Company in its decision to sell the facility;
- (4) an itemization and quantification of the current annual costs of the facility to the Company;
- (5) copies of all bids for purchasing the facility; and
- (6) copies of all market valuation of the facilities done by / for the Company.

Response:

- (1) Please refer to Attachment AG-3-42 (1) for a copy of the purchase agreement.
- (2) Please refer the Attachments AG-3-42 (2a) (lease agreement), AG-3-42 (2b) (building notice letter), and AG-3-42 (2c) (asset agreement).
- (3) The Company could not locate a cost / benefit analysis associated with the sale. However, the table below illustrates the impact on the customers at the time of the sale.

Revenue Requirement		Owned	Leased	Benefit
Return on Rate Base		1,406,787		
Building - Net	9,523,975			
Land	<u>1,256,000</u>			
Net	10,779,975			
Pre tax rate of return	13.05%			
Depreciation		293,232	-	
Lease Payment		-	939,806	
Property Taxes		<u>77,852</u>	<u>77,852</u>	
Revenue Requirement		<u>1,777,871</u>	<u>1,017,658</u>	<u>760,213</u>

- (4) Please refer to Attachment AG-3-41 (A).
- (5) The Company hired a broker to assist with the transaction and does not have copies of the bids for purchasing the facility; and
- (6) The Company hired a broker to assist with the transaction and does not have copies of any market valuations.

PURCHASE AGREEMENT

between

BAY STATE GAS COMPANY

and

TRINET CORPORATE REALTY TRUST, INC.

June 4, 1997

Headquarters Building
300 Friberg Parkway
Westborough, Massachusetts

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Exhibit A Commitment

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Exhibit I	Assignment of Permits
Exhibit J	Survey Requirements
Exhibit K	Seller's Closing Certificate
Exhibit L	Buyer's Closing Certificate
Exhibit M	Certificate of Non-Foreign Status
Exhibit N	First Offer/Refusal Agreement

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement"), made as of June 4, 1997, by and between BAY STATE GAS COMPANY, a Massachusetts corporation ("Seller"), and TRINET CORPORATE REALTY TRUST, INC., a Maryland corporation ("Buyer").

WITNESSETH:

In consideration of the covenants in this Agreement, Seller and Buyer agree as follows:

ARTICLE 1

Purchase and Sale

1.1 The Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, upon and subject to the terms and conditions in this Agreement, all of the following property (collectively the "Property"):

(a) The real property in the Town of Westborough, County of Worcester, Commonwealth of Massachusetts, commonly known as the Bay State Gas Company Headquarters Building, 300 Friberg Parkway, as described in commitment no. 97-0176 dated as of May 28, 1997, revised June 24, 1997 (the "Commitment"), prepared by Lawyers Title Insurance Company (the "Title Company"), attached hereto as Exhibit A, together with all buildings, structures and improvements located on such real property, and all Seller's right, title and interest in and to all machinery, fixtures and equipment affixed or attached to such real property and all easements and rights appurtenant to such real property (all such real property, buildings, structures, improvements, machinery, fixtures, equipment, easements and rights are collectively the "Real Property");

(b) Seller's interest in all contracts, agreements, warranties and guaranties, to the extent assignable (the "Contracts") described in Exhibit C attached hereto; and

(c) Seller's interest in all building permits, certificates of occupancy, and other certificates, permits, licenses and approvals, to the extent assignable (the "Permits") described in Exhibit D attached hereto.

(d) In addition, pursuant to a Right of First Offer Agreement in the form of Exhibit N hereto (the "First Offer Agreement"), on the Closing Date Seller will grant Buyer a right of first offer to purchase the property adjacent to the Real Property and more particularly described in the First Offer Agreement (the "Option Parcel"). The First Offer Agreement contemplates that, if Buyer acquires the Option Parcel, Buyer will cooperate with Seller in developing the Option

Parcel in accordance with Seller's plans, and contemplates Seller leasing the Option Parcel from Buyer.

ARTICLE 2

Purchase Price

2.1 Amount and Payment. The total purchase price for the Property shall be Ten Million Eight Hundred Thousand Dollars (\$10,800,000) (the "Purchase Price"). At the Closing (as defined in Section 3.1) on the Closing Date (as defined in Section 3.1), Buyer shall pay the Purchase Price for the Property, adjusted to reflect credits and prorations as provided in this Agreement, to Seller in cash in immediately available funds.

2.2 Deposit. Within (two) business days after the Property Approval Deadlines (as defined in Section 5.4), and provided this Agreement has not been terminated pursuant to Section 5.4, Buyer shall deposit in escrow with Title Company the sum of one hundred eight thousand dollars (\$108,000) or a letter of credit in favor of the Title Company for said amount (the "Deposit"). The Deposit shall be held by the Title Company (in an interest-bearing account designated by Buyer if the Deposit consists of cash), and, if Seller and Buyer complete the purchase and sale of the Property, the Deposit and any interest thereon shall be applied to payment of the total purchase price for the Property in accordance with Section 2.1. If the purchase and sale of the Property is not completed and this Agreement terminates for any reason other than Buyer's default under or breach of this Agreement, the Deposit and all interest thereon shall be returned to Buyer, on demand, upon such termination of this Agreement.

2.3 Liquidated Damages. SELLER AND BUYER AGREE THAT, IF AFTER BUYER HAS DELIVERED TO TITLE COMPANY THE DEPOSIT, BUYER DEFAULTS UNDER OR BREACHES THIS AGREEMENT, AND THEREFORE, THE PURCHASE AND SALE OF THE PROPERTY IS NOT COMPLETED, THEN THIS AGREEMENT SHALL TERMINATE AND THE DEPOSIT AND ANY INTEREST THEREON, SHALL BE PAID TO SELLER UPON TERMINATION OF THIS AGREEMENT AND RETAINED BY SELLER AS LIQUIDATED DAMAGES AS SELLER'S SOLE REMEDY AT LAW OR IN EQUITY. SELLER AND BUYER AGREE THAT, UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, ACTUAL DAMAGES MAY BE DIFFICULT TO ASCERTAIN AND THAT THE AMOUNT OF THE DEPOSIT AND ALL ACCRUED INTEREST THEREON IS A REASONABLE ESTIMATE OF THE DAMAGES THAT WILL BE INCURRED BY SELLER IF BUYER DEFAULTS UNDER OR BREACHES THIS AGREEMENT AND FAILS TO PURCHASE THE PROPERTY.

Seller's initials: _____

Buyer's initials: _____

ARTICLE 3

Completion of Sale

3.1 Place and Date. The purchase and sale of the Property shall be completed on the Closing Date (as hereafter defined) in accordance with Article 9 hereof (the "Closing"). The Closing shall occur through an escrow with the Title Company at 800 East Colorado Boulevard, Suite 250, Pasadena, CA 91101, within fifteen (15) business days after the Property Approval Deadline (as defined in Section 5.4) or at such other place or on such other date as Seller and Buyer agree in writing. The parties agree to use their best efforts to cause the Closing to occur no later than June 30, 1997. The date on which the Closing occurs is referred to herein as the "Closing Date". Prior to the Closing Date, Seller and Buyer each shall give appropriate written escrow instructions, consistent with this Agreement, to the Title Company for the Closing in accordance with this Agreement.

ARTICLE 4

Title to the Property

4.1 Real Property. Seller shall convey good and marketable fee simple absolute title to the Real Property to Buyer, by a duly executed and acknowledged Quitclaim Deed (the "Deed") in the form of Exhibit E attached hereto, free and clear of all liens, encumbrances, leases, easements, restrictions, rights, covenants and conditions of any kind or nature whatsoever, except only those matters approved by Buyer during the Property Approval Period and the following additional matters (collectively, the "Permitted Exceptions"): (a) the matters shown as exceptions 5 through 13 in the Commitment, (b) the Lease (as defined in Section 4.2), and (c) any matters shown on the survey furnished to Buyer in accordance with this Agreement.

4.2 Leaseback of Real Property. On the Closing Date, Buyer shall lease the Real Property back to Seller pursuant to the Lease in the form of Exhibit F attached hereto (the "Lease").

4.3 Contracts. Seller shall assign good title to Seller's interest in the Contracts to Buyer to the extent the same are assignable, by a duly executed Assignment of Contracts (the "Assignment of Contracts") in the form of Exhibit H attached hereto, free and clear of all liens, encumbrances, security interests and adverse claims of any kind or nature whatsoever.

4.4 Permits. Seller shall assign good title to the Permits to Buyer to the extent the same are assignable, by a duly executed Assignment of Permits (the "Assignment of Permits") in the form of Exhibit I attached hereto, free and clear of all liens, encumbrances, security interests and adverse claims of any kind or nature whatsoever.

ARTICLE 5

Review of the Property

5.1 Delivery of Documents. On or before the date of this Agreement or as promptly thereafter as practicable, Seller shall, at the expense of Seller, deliver to Buyer legible copies of the following documents, to the extent they are in the possession of Seller:

(a) Audited financial statements ("Financial Statements") of Seller for the fiscal years 1994, 1995 and 1996, which Financial Statements shall include an audited consolidated balance sheet of Seller and its consolidated subsidiaries as at the end of such fiscal year, a consolidated statement of operations of Seller and its consolidated subsidiaries for such fiscal year, and a certificate of Seller's auditor (which shall be a recognized national independent accounting firm) to the effect that such Financial Statements were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial condition and operations of Seller and its consolidated subsidiaries for and as at the end of such fiscal year;

(b) All of the Contracts;

(c) All of the Permits;

(d) Bills for real property taxes and assessments for the most recent three (3) tax fiscal years, all utility bills for the most recent year, records of maintenance expenses for the last three (3) years and any statements of capital expenditures, capital reserves and repairs and maintenance expenses for the most recent three (3) years;

(e) All architectural, engineering and other drawings, plans and specifications for the buildings, structures, improvements, machinery, fixtures and equipment included in the Real Property insofar as any thereof have heretofore been prepared by, for or at the request of Seller and are in the possession of or available to Seller;

(f) All reports, studies, investigations, appraisals and other materials insofar as any thereof have heretofore been prepared by, for or at the request of Seller and are in the possession of or available to Seller concerning the design, construction, condition or status of the Real Property or any of the buildings, structures, improvements, machinery, fixtures or equipment included in the Real Property, or any system, element or component thereof;

(g) All reports, studies, investigations, appraisals and other materials insofar as any thereof have heretofore been prepared by, for or at the request of Seller and are in the possession of or available to Seller concerning the environmental condition or status of the Real Property or any of the buildings, structures or improvements included in the Real Property, or any past or present or threatened Release (as defined in Section 5.6) of any Hazardous Substances (as defined

in Section 5.6) in, on, under or within the Real Property, or the compliance of the Real Property with Environmental Laws (as defined in Section 5.6);

(h) All environmental impact reports, environmental impact certifications and zoning, land use or development agreements relating to the Real Property heretofore prepared by, for or at the request of Seller and are in the possession of or available to Seller;

(i) All documents referred to in the exceptions listed in the Commitment and all other documents referred to therein; and

(j) All of the following documents to the extent the same are in the possession of or available to Seller: articles of incorporation, bylaws, minutes of meetings of either any board of directors or of owners, members or shareholders, budgets, operating statements, assessments, statement of capital or operating reserves, and any other documents pertaining to any owner's association with control or jurisdiction over any portion of the Real Property.

Seller makes no representation or warranty as to the accuracy of any factual statement contained in any of the foregoing documents, although Seller does not have actual knowledge of any factual incorrectness therein. Seller represents only that the foregoing documents are complete, true and correct copies of all such documents in the possession of Seller.

5.2 Documents Obtained by Buyer.

(a) As promptly as practicable after the date of this Agreement, Buyer shall obtain, at Buyer's expense, appraisals of the Real Property prepared by an appraiser selected by Buyer in accordance with standard industry practices, for Buyer's benefit and which shall be certified to Buyer, setting forth the unencumbered value of the fee simple interest in the Real Property, and the leased fee value of the Real Property (the "Appraisal").

(b) As promptly as practicable after the date of this Agreement, Buyer shall obtain, at Buyer's expense, a Phase I environmental assessment acceptable to Buyer in its sole and absolute discretion, covering the Real Property (the "Phase I Report") and, if recommended in the Phase I Report, a Phase II environmental assessment acceptable to Buyer in its sole and absolute discretion (the "Phase II Report" which, together with the Phase I Report, are collectively referred to herein as the "Environmental Reports"), which Environmental Reports shall be prepared by Fluor/GTI and which shall be certified to Buyer, if any, in a form satisfactory to Buyer.

(c) As promptly as practicable after the date of this Agreement, Buyer shall obtain, at Buyer's expense, a structural engineering review (the "Structural Report") of the Property prepared by an engineering firm selected by Buyer, certified to Buyer and in form satisfactory to Buyer.

5.3 Access for Review. From the date of this Agreement to the Closing Date and with reasonable advance notice to Seller, Seller shall provide Buyer and Buyer's representatives with access during customary business hours to the Real Property, all drawings, plans and specifications for the Real Property, all engineering and other reports and studies relating to the Real Property, all files and correspondence relating to the Real Property and the Option Parcel, and all financial and accounting books and records relating to the ownership, management, operation, maintenance or repair of the Real Property to permit Buyer to make such studies, inspections copies and verifications as Buyer, in Buyer's discretion, considers reasonably necessary or desirable in the circumstances.

5.4 Property Approval Period. Between the date of this Agreement and the Property Approval Deadline (as defined below), Buyer shall have the right to review and investigate the physical and environmental condition of the Property during regular business hours, the income and expenses of the Property, the character, quality, value and general utility of the Property, the zoning, land use, environmental and building requirements and restrictions applicable to the Real Property, the construction of improvements on the Real Property, the state of title to the Real Property, and any other factors or matters relevant to Buyer's decision to purchase the Property. As used in this Agreement, the phrase "Property Approval Period" shall mean the period commencing on the date of execution of this Agreement and ending on the later to occur of (a) thirty (30) business days after the date of execution of this Agreement, or (b) twenty (20) business days after the date on which all of the documents described in Sections 5.1 and 5.5 have been delivered to Buyer, (the "Property Approval Deadline"). Buyer may determine whether or not the Property is acceptable to Buyer within the Property Approval Period. If during the Property Approval Period Buyer determines that the Property is not acceptable for any reason whatsoever, then Buyer shall have the right, by giving notice to Seller, to terminate this Agreement. If Buyer exercises the right to terminate this Agreement in accordance with this Section 5.4, this Agreement shall terminate as of the date such termination notice is given by Buyer. If Purchaser determines to proceed with the purchase, it shall, not later than the Property Approval Deadline, deliver to Seller a notice signed by both the President and Executive Vice President of Purchaser ("Purchaser's Notice"), to such effect, and shall, not later than two business days after the Property Approval Deadline, deliver the Deposit to the title Company. If Purchaser fails to give either of such notices, this Agreement shall continue until a definitive notice is given or the Agreement terminates pursuant to the next sentence. In case of such failure, Seller may give Purchaser notice of such failure and Purchaser shall have two business days after receipt of such Seller's notice in which to remedy such failure; if Purchaser does not remedy such failure within that period, this Agreement shall thereupon terminate. If Seller does not give such notice, this Agreement shall continue, but Purchaser shall not be obligated to make the Deposit or otherwise become obligated to purchase the Property until it has delivered the Purchaser's Notice. If Purchaser delivers the above notice to the effect that it will proceed with the purchase, then Purchaser shall be bound by the terms of this Agreement.

5.5 Survey. On or before the date of this Agreement or as promptly thereafter as practicable, Seller shall, at the expense of Seller, deliver to Buyer a survey of the Real Property prepared by a licensed land surveyor or a registered civil engineer approved in writing by Buyer. Such survey shall comply with the current minimum standard detail requirements for land title surveys established by the American Land Title Association and the American Congress on Surveying and Mapping, shall contain the legal description of the Real Property, shall include the surveyor's or engineer's certification (in form and substance satisfactory to Buyer), as of a date not earlier than sixty (60) days prior to the Property Approval Deadline, to Buyer, Buyer's lenders and any agent bank for such lenders (collectively, "Lender"), Title Company and any other person designated by Buyer, signed by the surveyor or engineer, that the survey correctly shows the Real Property on the basis of a field survey and in accordance with the current minimum standard detail requirements for land title surveys established by the American Land Title Association and the American Congress on Surveying and Mapping, shall contain all of the information detailed in Exhibit J attached hereto, and shall otherwise be in form and substance satisfactory to Buyer.

5.6 Environmental Definitions. As used in this Agreement, the following definitions shall apply: "Environmental Laws" shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, and all federal and state court decisions, consent, decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. section 6901, et seq., and the Clean Water Act, 33 U.S.C. section 1251, et seq. "Hazardous Substances" shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity. "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including continuing migration, of Hazardous Substances into or through soil, surface water or groundwater.

ARTICLE 6

Representations and Warranties

6.1 Seller. The representations and warranties of Seller in this Section 6.1 and in Seller's Closing Certificate (as defined in Section 7.1(c)) are a material inducement for Buyer to enter into this Agreement. Buyer would not purchase the Property from Seller without such

representations and warranties of Seller. All representations and warranties of Seller shall survive the Closing for a period of one (1) year. Seller represents and warrants to Buyer as of the date of this Agreement as follows:

(a) Seller is a corporation duly organized and validly existing under the laws of the Commonwealth of Massachusetts. Seller has full power and authority to enter into this Agreement and the Lease and to perform this Agreement and the Lease. The execution, delivery and performance of this Agreement and the Lease by Seller have been duly and validly authorized by all necessary action on the part of Seller and all required consents and approvals have been duly obtained. This Agreement is, and upon execution thereof the Lease will be, a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting the rights of creditors generally. Neither the execution and delivery of this Agreement or the Lease, nor the consummation of the transactions contemplated hereby or thereby, will conflict with, or (with or without notice or lapse of time, or both) result in a termination, breach, impairment or violation of, or give rise to a default under (i) any provision of Seller's certificate of incorporation or by-laws, (ii) any material instrument or contract to which Seller is a party or by which Seller is bound, or (iii) to Seller's actual knowledge, any federal, state, local or foreign judgment, writ, decree, order, statute, rule or regulation applicable to Seller, the Property or any other property of Seller.

(b) There are no presently effective leases, lease amendments, lease guaranties, work letter agreements, improvement agreements, subleases, assignments, licenses, concessions or other agreements with respect to the leasing, use or occupancy of the Real Property or any part thereof other than Permitted Exceptions. There are no persons leasing, using or occupying the Real Property or any part thereof except Seller and, with respect to no more than 1,000 square feet of space, affiliates of Seller whose tenancy is on a month-to-month basis without a written lease. All of the Contracts are described in Exhibit C attached hereto, which is an accurate and complete list of all presently effective contracts, agreements, warranties and guaranties to which Seller is a party or by which Seller of the Property may be bound, relating to the advertising, promotion, design, construction, ownership, management, operation, maintenance or repair of the Real Property. All of the Permits are described in Exhibit D attached hereto, which is an accurate and complete list of all presently effective building permits, certificates of occupancy, and other necessary certificates, permits, licenses and approvals relating to the design, construction, ownership, occupancy, use, management, operation, maintenance or repair of the Real Property. Seller has good title to the Contracts and the Permits, free and clear of all liens, encumbrances, security interests and adverse claims of any kind or nature whatsoever. All of the copies of the documents delivered to Buyer pursuant to Section 5.1 are accurate and complete copies of all originals of the documents described in Section 5.1.

(c) There are no leasing commissions or other commissions, fees or compensation presently owed or which will become due and payable with respect to the Lease or which could

become due and payable in the future upon the exercise of any right or option contained in the Lease.

(d) The Real Property has at all times since Seller has owned it been constructed, managed, operated, maintained and repaired by Seller in a first-class manner in accordance with sound construction and property management practice. To the best knowledge of Seller, there are no material defects or deficiencies in the design, construction, fabrication, manufacture or installation of the Real Property or any part thereof or any system, element or component thereof. All systems, elements and components of the Property (including all machinery, fixtures and equipment, the roof, foundation and structural elements, and the elevator, mechanical, electrical and life safety systems) are in good working order and repair and sound operating condition. Seller has received no notice of any kind from any insurance broker, agent or underwriter that any noninsurable condition exists in, on or about the Real Property or any part thereof. To the best knowledge of Seller, the Real Property and every part thereof and the use and occupancy of the Real Property are in full compliance with all applicable building, earthquake, zoning, land use, environmental, antipollution, health, fire, safety, access and accommodations for the physically handicapped, subdivision, energy and resource conservation or similar laws, statutes, rules, regulations and ordinances and all covenants, conditions and restrictions applicable to the Real Property. Seller has received no written notice, citation or other claim alleging any violation of any such law, statute, rule, regulation, ordinance, covenant, condition or restriction. To the best of Seller's knowledge, the Real Property includes sufficient parking spaces to satisfy all zoning and private land use requirements. The Real Property has access by way of an easement over Friberg Parkway to a public street. To the best knowledge of Seller, the Permits have been duly and validly issued, are in full force and effect, and are all of the certificates, permits, licenses and approvals that are required by law to own, operate, use and occupy the Real Property as it is presently owned, operated, used and occupied. To the best knowledge of Seller, Seller has fully performed, satisfied and discharged all of the obligations, requirements and conditions imposed on the Real Property by the permits.

(e) To the best knowledge of Seller, except as permitted by applicable Environmental Laws or disclosed in the Environmental Reports, no Hazardous Substances are present in, on or under the Real Property or any nearby real property which could migrate to the Real Property, and there is no present Release or threatened Release of any Hazardous Substances in, on or under the Real Property. Seller has never used the Real Property or any part thereof, and Seller has never permitted any person to use the Real Property or any part thereof, for the production, processing, manufacture, generation, treatment, handling, storage or disposal of Hazardous Substances, except in compliance with applicable Environmental Laws. No underground or above-ground storage tanks, barrels, wells, pits, sumps, lagoons or other containers of any kind are, or to the best of Seller's knowledge, have been located in, or, under or about the Real Property, except for the above ground storage tanks disclosed in the Environmental Reports. To the best knowledge of Seller, the Real Property and every part thereof, and all operations and activities therein and thereon and the use and occupancy thereof, comply with all applicable

Environmental Laws, and neither Seller nor any person using or occupying the Real Property or any part thereof is violating any Environmental Laws. To the best knowledge of Seller, Seller has all permits, licenses and approvals (which are included in the Permits) required by all applicable Environmental Laws for the use and occupancy of, and all operations and activities in, the Real Property, Seller is in full compliance with all such permits, licenses and approvals, and all such permits, licenses and approvals were duly issued and are in full force and effect. No claim, demand, action or proceeding of any kind relating to any past or present Release or threatened Release of any Hazardous Substances in, on or under the Real Property or any past or present violation of any Environmental Laws at the Real Property has been made or commenced, or is pending, or, to the best knowledge of Seller, is being threatened or contemplated by any person.

(f) There is no litigation, arbitration or other legal or administrative suit, action, proceeding or investigation of any kind pending, or threatened or being contemplated, against or involving Seller relating to the Real Property or any part thereof, and there is no valid basis for any such litigation, arbitration or other legal or administrative suit, action, proceeding or investigation. There is no general plan, land use or zoning action or proceeding of any kind, or general or special assessment action or proceeding of any kind, or condemnation or eminent domain action or proceeding of any kind, pending or threatened or being contemplated with respect to the Real Property or any part thereof. There is no legal or administrative action or proceeding pending to contest or appeal the amount of real property taxes or assessments levied against the Real Property or any part thereof or the assessed value of the Real Property or any part thereof for real property tax purposes. No supplemental real property taxes have been or will be levied against or assessed with respect to the Real Property or any part thereof based on any change in ownership or new construction or other event or occurrence relating to the Real Property before the date of this Agreement, except any such supplemental real property taxes as have been paid in full and discharged. The Real Property consists of a separate tax parcel, and no real property other than the Real Property is assessed for real property tax purposes as a portion of that tax parcel.

(g) All water, sewer, gas, electric, steam, telephone and drainage facilities and all other utilities required by law or reasonably necessary or proper and usual for the full operation, use and occupancy of the Real Property are installed to the boundary lines of the Real Property, are connected with valid permits, and are adequate to service the Real Property and to allow full compliance with all applicable laws, and the cost of installation and connection of all such utilities to the Property has been fully paid.

(h) Seller is not a "foreign person" as defined in section 14445 of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations thereunder.

(i) Except for Whittier Partners ("Broker"), Seller has not dealt with any investment advisor, real estate broker or finder, or incurred any liability for any commission or fee to any

investment advisor, real estate broker or finder, in connection with the sale of the Property or this Agreement.

6.2 Buyer. The representations and warranties of Buyer in this Section 6.2 and in Buyer's Closing Certificate (as defined in Section 7.2(a)) are a material inducement for Seller to enter into this Agreement. Seller would not sell the Property to Buyer without such representations and warranties of Buyer. Such representations and warranties shall survive the Closing for a period of one (1) year. Buyer represents and warrants to Seller as of the date of this Agreement as follows:

(a) Buyer is a corporation duly incorporated and organized and validly existing and in good standing under the laws of the State of Maryland. Buyer has full power and authority to enter into this Agreement and the Lease. The execution and delivery of this Agreement and the Lease by Buyer have been duly and validly authorized by all necessary action on the part of Buyer and authority for the performance hereof and all required consents and approvals will have been duly obtained prior to Closing. This Agreement is, and upon execution of the Lease will be, a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting the rights of creditors generally. Neither the execution and delivery of this Agreement or the Lease, nor the consummation of the transactions contemplated hereby or thereby, will conflict with, or (with or without notice or lapse of time or both) result in a termination, breach, impairment or violation of, or give rise to a default under (i) any provision of Buyer's certificate of incorporation or by-laws, (ii) any material instrument or contract to which Buyer is a party or by which Buyer is bound, or (iii) to Buyer's actual knowledge, any federal, state, local or foreign judgment, writ, decree, order, statute, rule or regulation applicable to Buyer, the Property or any other property of Buyer.

(b) Buyer has not incurred any liability for any commission or fee to any investment advisor, real estate broker or finder, in connection with the sale of the Property or this Agreement.

ARTICLE 7

Covenants

7.1 Seller. Seller covenants and agrees with Buyer as follows:

(a) Between the date of this Agreement and the Closing Date, Seller shall not, without the prior approval of Buyer, which approval may be withheld in the sole and absolute discretion of Buyer, in any respect execute any lease, sublease or other occupancy agreement affecting the Real Property or any portion thereof. Between the date of this Agreement and the Closing Date, Seller shall not enter into any agreement affecting the Property, or amend, modify, renew, extend

or terminate, or waive rights under, any existing Contract or Permit without the prior written approval of Buyer, which shall not be unreasonably withheld or delayed. Between the date of this Agreement and the Closing Date, Seller shall manage, operate, maintain and repair the Real Property in the ordinary course of business in accordance with sound property management practice, keep the Real Property in good repair and working order and sound condition, comply with the Permits and all covenants, conditions, restrictions, laws, statutes, rules, regulations and ordinances applicable to the Real Property, keep the Contracts and the Permits in force, immediately give Buyer copies of all written notices received by Seller asserting any breach or default under the Contracts or any violation of the Permits or any covenants, conditions, restrictions, laws, statutes, rules, regulations or ordinances applicable to the Real Property, and perform when due all of Seller's obligations under the Contracts and the Permits in accordance with the Contracts and the Permits and all applicable laws. Between the date of this Agreement and the Closing Date, Seller shall keep in force property insurance in accordance with its current insurance program covering all buildings, structures, improvements, machinery, fixtures and equipment included in the Real Property insuring against all risks of physical loss or damage, subject to standard exclusions, in an amount equal to the actual replacement cost (without deduction for depreciation) of such buildings, structures, improvements, machinery, fixtures and equipment.

(b) Between the date of this Agreement and the Closing Date, Seller shall: (i) not use, produce, process, manufacture, generate, treat, handle, store or dispose of any Hazardous Substances in, on or under the Real Property (except for Hazardous Substances such as photocopier toner and cleaning agents which are customary in office buildings, and then in quantities appropriate to current office use and in compliance with Environmental Laws), or use the Real Property for any such purposes in, or Release any Hazardous Substances into any air, soil, surface water or groundwater comprising the Real Property, or permit any person using or occupying the Real Property or any part thereof to do any of the foregoing in violation of applicable Environmental Laws; (ii) comply, and shall cause all persons using or occupying the Real Property or any part thereof to comply, with all Environmental Laws applicable to the Real Property, or the use or occupancy thereof, or any operations or activities therein or thereon; (iii) duly obtain all permits, licenses and approvals required by all applicable Environmental Laws for the use and occupancy of, and all operations and activities in, the Real Property, comply fully with all such permits, licenses and approvals, and keep all such permits, licenses and approvals in full force and effect; (iv) give notice to Buyer immediately after Seller obtains any information indicating that any Hazardous Substances may be present or any Release or threatened Release of Hazardous Substances may have occurred in, on or under the Real Property (or any nearby real property which could migrate to the Real Property) or that any violation of any Environmental Laws may have occurred at the Real Property, together with a reasonably detailed description of the event, occurrence or condition in question; and (v) immediately furnish to Buyer copies of all written communications received by Seller from any person (including notices, complaints, claims or citations that any Release or threatened Release of any Hazardous Substances or any violation of any Environmental Laws has actually or allegedly occurred) or given by Seller to any person

concerning any past or present Release or threatened Release of any Hazardous Substances in, on or under the Real Property (or any nearby real property which could migrate to the Real Property) or any past or present violation of any Environmental Laws at the Real Property.

(c) All representations and warranties made by Seller in Section 6.1 and in Seller's Closing Certificate shall survive the Closing for a period of one (1) year. Seller shall use its best efforts, in good faith and with diligence, to cause all of the representations and warranties made by Seller in Section 6.1 to be true and correct on and as of the Closing Date. At the Closing, Seller shall execute and deliver to Buyer a Seller's Closing Certificate ("Seller's Closing Certificate") in the form of Exhibit K attached hereto, certifying to Buyer that all such representations and warranties are true and correct on and as of the Closing Date, with only such exceptions therein as are necessary to reflect facts or circumstances arising between the date of this Agreement and the Closing Date that would make any such representation or warranty untrue or incorrect on and as of the Closing Date.

(d) Seller shall indemnify and defend Buyer against and hold Buyer harmless from all Claims that may be suffered or incurred by Buyer if any representation or warranty made by Seller in Section 6.1 or in Seller's Closing Certificate was untrue or incorrect in any material respect when made or that may be caused by any breach by Seller of any such representation or warranty, provided that any such claims against Seller are made in writing within one (1) year from the Closing..

(e) Seller shall indemnify and defend Buyer against and hold Buyer harmless from all Claims arising from or based on any failure by Seller to perform all obligations of Seller in accordance with the Contracts or the Permits before the Closing Date, or any breach, default or violation by Seller (or any event by Seller or condition that, after notice or the passage of time, or both, would constitute a breach, default or violation by Seller) under the Contracts or the Permits that occurs before the Closing Date, or any condition, event or circumstance relating to the Real Property that existed or occurred before the Closing Date, or any personal injury or property damage occurring in, on or about the Real Property before the Closing Date.

(f) Seller shall indemnify and defend Buyer against and hold Buyer harmless from all Claims in any way arising from, relating to or connected with any past or present Release or threatened Release of any Hazardous Substances in, on or under the Real Property or any past or present violation of any Environmental Laws at the Real Property that exists or occurs, or the onset of which exists or occurs, before the Closing Date. The foregoing indemnification shall include all expenses of investigation and monitoring, costs of containment, abatement, removal, repair, cleanup, restoration and remedial work, penalties and fines, attorneys' fees and disbursements, and other response costs. However, with respect to legal fees, Seller is obligated to pay for only one law firm, chosen jointly by Buyer and Seller, to represent the interests of both Buyer and Seller in connection with any claim referred to in this paragraph, provided that if such law firm states (after having undertaken the joint representation) that it has an ethical conflict of

interest in representing both Buyer and Seller attributable to legal issues between Buyer and Seller, then and only then Seller shall be obligated to pay the reasonable fees and expenses of a second law firm.

(g) Between the date of this Agreement and the Closing Date, Seller shall not in any manner sell, convey, assign, transfer, encumber or otherwise dispose of the Real Property, the Contracts or the Permits, or any part thereof or interest therein, nor enter into any agreement to do so.

(h) Seller shall pay all commissions, fees and expenses due to Broker in respect of the sale of the Property or this Agreement and shall indemnify and defend Buyer against and hold Buyer harmless from all Claims arising from or based on any obligation or alleged obligation to pay any commission or fee to any investment advisor, real estate broker or finder in connection with the sale of the Property or this Agreement.

(i) Seller shall cause to be removed or deleted from title to the Real Property on or before the Closing Date any mortgage or other voluntary encumbrance other than a Permitted Exception which may be removed or deleted by the payment of money; provided, however, Seller's failure to so remove or delete any such exception shall entitle Buyer to cause any such exception to be removed or deleted and all costs incurred and amounts paid by Buyer in connection therewith shall be credited to the payment of the purchase price in accordance with Section 2.1.

7.2 Buyer. Buyer covenants and agrees with Seller as follows:

(a) All representations and warranties made by Buyer in Section 6.2 and in Buyer's Closing Certificate shall survive the Closing. Buyer shall use its best efforts, in good faith and with diligence, to cause all of the representations and warranties made by Buyer in Section 6.2 to be true and correct on and as of the Closing Date. At the Closing, Buyer shall execute and deliver to Seller a Buyer's Closing Certificate ("Buyer's Closing Certificate") in the form of Exhibit L attached hereto, certifying to Seller that all such representations and warranties are true and correct on and as of the Closing Date, with only such exceptions therein as are necessary to reflect facts or circumstances arising between the date of this Agreement and the Closing Date that would make any such representation or warranty untrue or incorrect on and as of the Closing Date.

(b) Buyer shall indemnify and defend Seller against and hold Seller harmless from all Claims that may be suffered or incurred by Seller if any representation or warranty made by Buyer in Section 6.2 or in Buyer's Closing Certificate was untrue or incorrect in any material respect when made or that may be caused by any breach by Buyer of any such representation or warranty, provided that any such claims are against Buyer are made in writing within one (1) year from the Closing.

(c) Except as set forth in Section 7.1(e), Buyer shall indemnify and defend Seller against and hold Seller harmless from all Claims arising from or based on any failure by Buyer to perform all obligations of Buyer in accordance with the Contracts arising or accruing on or after the Closing Date and during Buyer's ownership of the Property or any breach, default or violation by Buyer (or any event by Buyer or condition that, after notice or the passage of time, or both, would constitute a breach, default or violation by Buyer) under the Contracts that occurs on or after the Closing Date and during Buyer's ownership of the Property.

7.3 Casualty Damage. Seller shall give notice to Buyer immediately after the occurrence of any damage to the improvements on the Real Property by any casualty. If, before the Closing Date, the improvements on the Real Property are damaged by any casualty and either (x) the tenant under the Lease, if the Lease were in effect, would be entitled to terminate the Lease by reason of such damage, or (y) the cost to restore such improvements, as reasonably determined by Buyer, is more than one hundred thousand dollars (\$100,000), Buyer shall have the right, by giving written notice to Seller within fifteen (15) days after Seller gives notice of the occurrence of such casualty to Buyer, to terminate this Agreement, in which event this Agreement shall terminate and the Deposit, if any, returned to Buyer. If necessary, the Closing Date shall be postponed until Seller has given the notice to Buyer required by this Section 7.3 and the period of fifteen (15) days described in this Section 7.3 has expired. If, before the Closing Date, the improvements on the Real Property are damaged by any casualty and the cost to restore such improvements, as reasonably determined by Buyer, is one hundred thousand dollars (\$100,000) or less, or if Buyer has the right to terminate this Agreement pursuant to the preceding sentence but Buyer does not exercise such right, then this Agreement shall remain in full force and effect and, on the Closing Date, Buyer shall purchase the Property without reduction in the Purchase Price and Seller, in its capacity as tenant under the Lease, shall repair such damage and shall be entitled to insurance proceeds only as provided in the Lease.

7.4 Eminent Domain. Seller shall give notice to Buyer immediately after Seller's receiving notice of the commencement of any proceedings for the taking by exercise of the power of eminent domain of all or any part of the Property. If, before the Closing Date, proceedings are commenced for the taking by exercise of the power of eminent domain of all or any part of the Property which either (x) would entitle the tenant under the Lease, if the Lease were in effect, to terminate the Lease by reason of such condemnation, or (y) as reasonably determined by Buyer, would render the Property unacceptable to Buyer or unsuitable for Buyer's intended use, Buyer shall have the right, by giving notice to Seller within thirty (30) days after Seller gives notice of the commencement of such proceedings to Buyer, to terminate this Agreement, in which event this Agreement shall terminate and the Deposit, if any, returned to Buyer. If necessary, the Closing Date shall be postponed until Seller has given the notice to Buyer required by this Section 7.4 and the period of thirty (30) days described in this Section 7.4 has expired. If Buyer has the right to terminate this Agreement pursuant to the preceding sentence but Buyer does not exercise such right, then this Agreement shall remain in full force and effect and, on the Closing Date, Buyer

shall purchase the Property without reduction in Purchase Price, and Seller, in its capacity as tenant under the Lease shall restore the Property and Buyer shall be entitled to the condemnation award except to the extent otherwise provided in the Lease.

ARTICLE 8

Conditions Precedent

8.1 Seller. The obligations of Seller under this Agreement are subject to satisfaction of all of the conditions set forth in this Section 8.1. Seller may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. After the Closing, any such condition that has not been satisfied shall be treated as having been waived in writing. No such waiver shall constitute a waiver by Seller of any of its rights or remedies if Buyer defaults in the performance of any material covenant or agreement to be performed by Buyer under this Agreement or if Buyer breaches any representation or warranty made by Buyer in Section 6.2 or in Buyer's Closing Certificate. If any condition set forth in this Section 8.1 is not fully satisfied or waived in writing by Seller, this Agreement shall, at Seller's option, terminate, but without releasing Buyer from liability if Buyer defaults in the performance of any such covenant or agreement to be performed by Buyer or if Buyer breaches any such representation or warranty made by Buyer before such termination.

(a) On the Closing Date, Buyer shall not be in default in the performance of any material covenant or agreement to be performed by Buyer under this Agreement.

(b) On the Closing Date, all representations and warranties made by Buyer in Section 6.2 shall be materially true and correct as if made on and as of the Closing Date and Seller shall have received Buyer's Closing Certificate, executed by Buyer, in which Buyer certifies to Seller that all representations and warranties made by Buyer in Section 6.2 are materially true and correct on and as of the Closing Date, so long as Buyer's Closing Certificate sets forth any exceptions thereto.

(c) On the Closing Date, no judicial or administrative suit, action, investigation, inquiry or other proceeding by any person shall have been instituted against Seller which challenges the validity or legality of any of the transactions contemplated by this Agreement.

(d) On the Closing Date, Seller and Buyer shall have entered into the Lease.

8.2 Buyer. The obligations of Buyer under this Agreement are subject to satisfaction of all of the conditions set forth in this Section 8.2. Buyer may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. After the Closing, any such condition that has not been satisfied shall be treated as having been waived in writing. No such waiver shall constitute a waiver by Buyer of any of its rights or

remedies if Seller defaults in the performance of any material covenant or agreement to be performed by Seller or if Seller breaches any representation or warranty made by Seller in Section 6.1 or in Seller's Closing Certificate. If any condition set forth in this Section 8.2 is not fully satisfied or waived in writing by Buyer by the applicable dates set forth below, this Agreement shall, at Buyer's option, terminate, but without releasing Seller from liability if Seller defaults in the performance of any such covenant or agreement to be performed by Seller or if Seller breaches any such representation or warranty made by Seller before such termination.

(a) On the Closing Date, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) On the Closing Date, all representations and warranties made by Seller in Section 6.1 shall be materially true and correct as if made on and as of the Closing Date and Buyer shall have received Seller's Closing Certificate, executed by Seller, in which Seller certifies to Buyer that all representations and warranties made by Seller in Section 6.1 are materially true and correct on and as of the Closing Date.

(c) On or before the Closing Date, Seller shall have delivered to Buyer an Estoppel Certificate, in the form attached to the Lease as Exhibit A (the "Estoppel Certificate"), executed by Seller.

(d) On the Closing Date, no judicial or administrative suit, action, investigation, inquire or other proceeding by any person shall have been instituted that challenges the validity or legality of any of the transactions contemplated by this Agreement or which, if adversely determined, would materially adversely affect the value of this Property.

(e) On the Closing Date, the Title Company shall be unconditionally and irrevocably committed to issue to Buyer an American Land Title Association Owner's Policy (Form 1992) of title insurance, with liability not less than the Purchase Price, containing such endorsements as Buyer may reasonably require, insuring Buyer that fee simple absolute title to the Real Property is vested in Buyer subject only to the Permitted Exceptions.

(f) On the Closing Date, Buyer shall have received, at Seller's sole cost, reasonably satisfactory evidence (in the form of a legal opinion, title endorsement or certificate from an appropriate government agency) that the construction and use of the Real Property complies with all applicable building, zoning, subdivision and land-use codes, laws, ordinances and regulations.

(g) On the Closing Date, Seller and Buyer shall have entered into the Lease and First Offer Agreement.

(h) There shall have been no material adverse changes in the financial condition of Seller between December 31, 1996 and the Closing Date.

ARTICLE 9

Closing

9.1 Procedure. Seller and Buyer shall cause the following to occur at the Closing on the Closing Date:

(a) The Deed, duly executed and acknowledged by Seller, shall be recorded in the Worcester County Registry of Deeds, Worcester, Massachusetts.

(b) Seller shall date as of the Closing Date, execute and deliver to Buyer (i) the Deed, (ii) the First Offer Agreement, (iii) the Lease, (iv) the Assignment of Contracts, (v) the Assignment of Permits, (vi) Seller's Closing Certificate, (vii) a Certificate of Non-Foreign Status in accordance with section 1445 of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations thereunder in the form of Exhibit M attached hereto, and (viii) the Estoppel Certificate.

(c) Buyer shall date as of the Closing Date, execute and deliver to Seller (i) the Lease, (ii) the Assignment of Contracts, and (iii) Buyer's Closing Certificate.

(d) The Title Company shall pay the Deposit and all accrued interest thereon to Seller and Buyer shall pay to Seller the net balance of the Purchase Price for the Property in accordance with Section 2.1.

(e) The Title Company shall issue to Buyer the title insurance policy described in Section 8.2(f).

(f) The Title Company shall file the information return for the sale of the Property required by section 6045 of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations thereunder.

9.2 Possession. Seller shall transfer possession of the Real Property to Buyer on the Closing Date, and Seller shall occupy the entire Real Property pursuant to the Lease. If not previously delivered to Buyer, Seller shall deliver originals of the documents described in Section 5.1 (to the extent in Seller's possession), all files, correspondence, maintenance records and operating manuals relating to the Real Property, and all keys (properly tagged or identified) to the Real Property to Buyer on the Closing Date. The originals of such documents and such keys shall become the property of Buyer on the Closing Date. On the Closing Date Seller and Buyer shall send notices, in form and substance reasonably satisfactory to Buyer and Seller, to all vendors and contractors under the Contracts informing them that Seller sold the Property to Buyer on the Closing Date.

9.3 Closing Costs and Credits. Seller shall pay all costs in connection with the Closing, including: the premium for the ALTA Owner's title insurance policy described in Section 8.2(f), including any costs charged for endorsements requested by Buyer; the recording fee for the Deed; the escrow fee charged by the Title Company; the cost of the survey; all transfer or documentary stamp taxes in connection with the Deed; any brokerage commissions payable in connection with the transactions contemplated hereby and its attorney's fees. Buyer shall be responsible for the cost of the Environmental Reports, the Appraisal, the Structural Report and its attorneys' fees. Seller shall allow a credit of \$276,000 in respect of future costs associated with the resurfacing and other capital expenses of Friberg Parkway.

9.4 Prorations. Seller shall pay all taxes, assessments, utilities, maintenance charges, invoices for goods furnished or services supplied, and all other expenses relating to the Property, whether allocable to the period before or after the Closing Date.

ARTICLE 10

General

10.1 Notices. All notices and other communications under this Agreement shall be properly given only if made in writing and either mailed by certified mail, return receipt requested, postage prepaid, or delivered by hand (including messenger or recognized delivery, courier or air express service) or sent by facsimile transmission confirmed by overnight courier to the party at the address set forth in this Section 10.1 or such other address as such party may designate by notice to the other party. Such notices and other communications shall be effective on the date of receipt (evidenced by the certified mail receipt or confirmation of receipt by a recognized national overnight delivery service) if mailed or on the date of hand delivery if hand delivered. If any such notice or communication is not received or cannot be delivered due to a change in the address of the receiving party of which notice was not previously given to the sending party or due to a refusal to accept by the receiving party, such notice or other communication shall be effective on the date delivery is attempted. Any notice or other communication under this Agreement may be given on behalf of a party by the attorney for such party.

(a) The address of Seller is 300 Friberg Road, Westborough, Massachusetts 01581, Attention: William D. MacGillivray, Esq. (Fax: (508) 836-7073), with a copy to Brown, Rudnick, Freed & Gesmer, One Financial Center, Boston, Massachusetts 02111, Attention: Joel M. Reck, Esq. (Fax: (617) 856-8201).

(b) The address of Buyer is 1000 Westlakes Drive, Suite 150, Berwyn, Pennsylvania 19312, attention: Mr. Gary P. Lyon (Fax: (610) 640-5829), with a copy to Buyer at Four Embarcadero Center, Suite 3150, San Francisco, CA, attention: Mr. Mark S. Whiting (Fax: (415)

391-6259), with a further copy to Day, Berry & Howard, 260 Franklin Street, Boston, MA 02110, attention: Lewis A. Burleigh, Esq. (Fax: (617) 345-4726)

10.2 Attorneys' Fees. If there is any legal action or proceeding between Seller and Buyer arising from or based on this Agreement, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees and disbursements, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith. If such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees and disbursements shall be included in and as a part of such judgment.

10.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

10.4 Construction. Seller and Buyer acknowledge that each party and its counsel have reviewed and revised this Agreement and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by either party in connection with the transactions contemplated by this Agreement. The captions in this Agreement are for convenience of reference only and shall not be used to interpret this Agreement.

10.5 Terms Generally. The defined terms in this Agreement shall apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term "person" includes individuals, corporations, partnerships, trusts, other legal entities, organizations and associations, and any government or governmental agency or authority. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "approval," "consent" and "notice" shall be deemed to be preceded by the word "written."

10.6 Further Assurances. From and after the date of this Agreement, Seller and Buyer agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

10.7 Partial Invalidity. If any provision of this Agreement is determined by a proper court to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement and this Agreement shall remain in full force and effect without such invalid, illegal or unenforceable provision.

10.8 Waivers. No waiver of any provision of this Agreement or any breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving party and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other or subsequent breach of this Agreement.

10.9 Miscellaneous. The Exhibits attached to this Agreement are made a part of this Agreement. This Agreement shall benefit and bind Seller and Buyer and their respective personal representatives, heirs, successors and assigns. Buyer shall have the right, without releasing Buyer from any obligation under this Agreement, by giving notice to Seller before the Closing Date, to assign this Agreement or to have Seller convey, assign and transfer the Property at the Closing in accordance with this Agreement to any person designated by Buyer in such notice. Time is of the essence of this Agreement. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement. This Agreement may not be amended or modified except by a written instrument signed by Seller and Buyer. This Agreement constitutes the entire and integrated agreement between Seller and Buyer relating to the purchase and sale of the Property and supersedes all prior agreements, understandings, offers and negotiations, oral or written, with respect to the purchase and sale of the Property. The covenants, terms and conditions of this Agreement shall survive the Closing.

10.10 Confidentiality. This Agreement is entered into by Buyer on the condition, and Seller covenants, that Seller shall not disclose the existence of this Agreement and its terms to any person, except on a strictly confidential basis to escrow, to Title Company, to Seller's contractors, and to Seller's directors, officers, affiliates, employees and advisors, who are directly involved in Seller's obligations under this Agreement. Seller shall not make, and Seller shall use its best efforts to ensure that the foregoing third parties do not make, any public announcement of this Agreement or the transactions contemplated by this Agreement without the prior consent of Buyer, which consent may be withheld by Buyer in its sole and absolute discretion, unless such public announcement is necessary to comply with applicable law. Notwithstanding the foregoing, Seller may disclose to its employees its intention to sell and lease back the property, provided that Buyer's name is not disclosed or its identity made readily discoverable.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the date first hereinabove written.

SELLER:

BAY STATE GAS COMPANY
a Massachusetts corporation

By: 
its Executive Vice President and Treasurer

BUYER:

TRINET CORPORATE REALTY TRUST, INC.,
a Maryland corporation

By: _____
Gary P. Lyon, Executive Vice President

By: _____
Peter H. Monaghan, Vice President

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the date first hereinabove written.

SELLER:


BAY STATE GAS COMPANY
a Massachusetts corporation

By: _____
Its _____

BUYER:

TRINET CORPORATE REALTY TRUST, INC.,
a Maryland corporation

By:  _____
Gary P. Lyon, Executive Vice President

By:  _____
Peter H. Monaghan, Vice President

LEASE AGREEMENT

Between

TriNet Essential Facilities XXIII, Inc.

as Landlord

and

Bay State Gas Company

as Tenant

Dated as of June 1, 1997

WESTBOROUGH on GH

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EXHIBITS

- A. LEGAL DESCRIPTION - REAL ESTATE
- B. DESCRIPTION OF PERSONAL PROPERTY AND FIXTURES
- C. PERMITTED ENCUMBRANCES

THIS LEASE, made and entered into as of June 1, 1997 (together with all amendments and supplements hereto, this "Lease"), by and between TriNet Essential Facilities XXIII, Inc., a Maryland corporation with offices at Four Embarcadero Center, Suite 3150, San Francisco, California 94111, (together with any successor or assigns, hereinafter called the "Landlord") and Bay State Gas Company, a Massachusetts corporation, having an address at 300 Friberg Parkway, Westborough, Massachusetts 01581, (together with any permitted successor or assigns, hereinafter collectively called the "Tenant"). Capitalized terms used herein not otherwise defined shall have the meanings specified in the following definitions.

As used in this Lease, the following terms have the meanings specified:

DEFINITIONS

The following terms shall have the following meanings for all purposes of this Lease and shall be equally applicable to both the singular and plural forms of the terms herein defined.

"Additional Rent" means all amounts, liabilities and obligations other than Fixed Rent which Tenant assumes or agrees to pay under this Lease to Landlord or others.

"Basic Lease Information" means the pages preceding this Lease which are hereby incorporated by reference.

"Commencement Date" is defined in paragraph 3(a) of this Lease.

"Environmental Laws" is defined in paragraph 25(b) of this Lease.

"Event of Default" is defined in paragraph 14 of this Lease.

"First Mortgage" or "Mortgage" shall mean a first mortgage on the Premises given by Landlord to the Mortgagee to secure a loan financing or refinancing the acquisition of Landlord's interest in the Premises.

"Fixed Rent" is defined in paragraph 4 of this Lease.

"Imposition" means the various tax and other charges referred to in paragraph 4 and the present and future governmental laws and regulations more specifically described in paragraph 11.

"Improvements" means all of the buildings, structures, improvements, and all building fixtures therein (including, without limitation, parking areas and driveways) now or hereafter located on the Land.

"Interim Term" is defined in paragraph 3(a) of this Lease.

"Land" means the land, but none of the Improvements thereon, described in Exhibit A hereto.

"Landlord" is defined in the first paragraph of this Lease.

"Lease" is defined in the first sentence of this Lease.

"Lease Expiration Date" is defined in paragraph 3(a) of this Lease.

"Mortgagee" shall mean any holder of a First Mortgage with respect to the Premises or any part thereof.

"Overdue Rate" means the greater of (x) 10% per annum or (y) 2% plus the prime or base interest rate of money center banks as reported from time to time in the Wall Street Journal, but in any event, if the maximum annual interest rate allowed by law for business loans (not primarily for personal, family or household purposes) is lower, then such lower rate.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, trustee(s) of a trust, unincorporated organization, or government or governmental authority, agency or political subdivision thereof.

"Permitted Encumbrances" means:

- (a) Any liens for taxes, assessments and other governmental charges and any liens of mechanics, materialmen and laborers for work or services performed or materials furnished in connection with the Premises, which are not due and payable;
- (b) The easements, rights-of-way, encroachments, encumbrances, restrictive covenants or other matters affecting the title to the Premises or any part thereof set forth in Schedule B to the policy of owner's title insurance (or commitments therefor) delivered to and accepted by Landlord with respect to the Premises in connection with the delivery of this Lease as shown on Exhibit C attached hereto;
- (c) This Lease and the rights of Tenant hereunder;

"Primary Term" is defined in paragraph 3(a) of this Lease.

"Premises" is defined in paragraph 1 of this Lease.

"Rent" means Fixed Rent and Additional Rent.

"Site Assessments" is defined in paragraph 25(d) of this Lease.

"Site Reviewers" is defined in paragraph 25(d) of this Lease.

"Tenant's Trade Fixtures" means all personal property of Tenant in or on the Premises which is not necessary for the operation of the Improvements.

"Term" means the Interim Term and Primary Term, together with the Renewal Term.

1. **DEMISE OF PREMISES: QUIET ENJOYMENT:** (a) Landlord hereby demises and leases to Tenant and Tenant hereby leases and rents from Landlord the Premises, IN ITS "AS IS" CONDITION, SUBJECT TO THE EXISTING STATE OF TITLE (WITHOUT EXPRESS OR IMPLIED WARRANTY OF LANDLORD WITH RESPECT TO THE CONDITION, QUALITY, REPAIR OR FITNESS OF THE PREMISES FOR A PARTICULAR USE OR TITLE THERETO, ALL SUCH WARRANTIES BEING HEREBY WAIVED AND RENOUNCED BY TENANT), consisting of the Land, the Improvements, together with any easements, rights, and appurtenances in connection therewith or belonging to said Land and Improvements, all being collectively hereinafter referred to as "the Premises". No easement for light, air or view is included with or appurtenant to the Premises. The foregoing disclaimer has been negotiated by Landlord and Tenant, each being represented by independent counsel, and is intended as a complete negation of any representation or warranty by Landlord, express or implied.

(b) Landlord covenants with Tenant, that upon the payment of the Fixed Rent and Additional Rent and the performance of all the terms of this Lease, Tenant shall at all times during the Term, peaceably and quietly enjoy the Premises without any disturbance from Landlord or from any person claiming by, through, or under Landlord. Exercise by Landlord of its rights to come upon the Premises as set forth in this Lease shall not constitute a violation of this paragraph.

2. **USE:** Tenant may use and occupy the Premises only for general office purposes and ancillary uses related thereto. The permitted use of the Premises may be changed with the prior consent of Landlord acting in its sole discretion, provided such changed use does not reduce the fair market value of the Premises, considered as unencumbered by this Lease. In all events, Tenant shall not use or occupy the same, or knowingly permit them to be used or occupied, contrary to any statute, rule, order, ordinance, requirement or regulation applicable thereto, or in any manner which would violate any certificate of occupancy affecting the same or which would make void or voidable any insurance then in force with respect thereto or which would increase the cost of fire or other insurance thereon required to be furnished hereunder by Tenant, or which would cause structural injury to the Premises or cause the value or usefulness of the Premises, or any portion thereof, to diminish, or which would constitute a public or private nuisance or waste, and Tenant agrees that it will promptly, upon discovery of any such use, take

all necessary steps to compel the discontinuance of such use. Tenant shall not use, suffer or permit the Premises, or any portion thereof, to be used by Tenant, any third party or the public, as such, without restriction or in such manner as might impair Landlord's title to the Premises, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or third Persons, or of implied dedication of the Premises, or any portion thereof. Nothing contained in this Lease and no action by Landlord shall be construed to mean that Landlord has granted to Tenant any authority to do any act or make any agreement that may create any such third party or public right, title, interest, lien, charge or other encumbrance upon the estate of the Landlord in the Premises. The preceding sentence does not limit Tenant's right to assign or sublet its interest hereunder, as provided in paragraph 24.

3. TERMS:

(a) The interim term of this Lease ("Interim Term") shall commence on June 30, 1997 and end on June 30, 1997. The primary term of this Lease (the "Primary Term") shall be for a period of fifteen (15) years, beginning on July 1, 1997 (the "Commencement Date") and ending on June 30, 2012 (the "Lease Expiration Date"), subject to paragraph 25(d).

(b) Tenant shall have the right, at its option, to renew the Primary Term of this Lease, for two (2) renewal terms (the "Renewal Terms"), which shall renew the Primary Term for an additional five (5) years each. Each Renewal Term shall commence on the day after the expiration of the preceding term and shall expire on the fifth (5th) anniversary of the Lease Expiration Date in the case of the first Renewal Term and on the tenth (10th) anniversary of the Lease Expiration Date in the case of the second Renewal Term, subject in each case to paragraph 25(d). The option to renew the Term of this Lease shall be exercised by Tenant by irrevocable written notice given at least twelve (12) months prior to the Lease Expiration Date or expiration of the first Renewal Term as the case may be. Subject to the provisions of paragraph 4, the terms and conditions of this Lease shall apply to each Renewal Term with the same force and effect as if such Renewal Term had originally been included in the Primary Term of the Lease. The right of Tenant to the Renewal Terms shall be conditioned upon (i) Tenant not being in default under this Lease on the date on which notice of renewal (if any) would be due and on the Lease Expiration Date or expiration of the first Renewal Term, as the case may be, (ii) this Lease being in full force and effect as of the Lease Expiration Date or expiration of the first Renewal Term, as the case may be, and (iii) Tenant being in actual possession of the Premises for the duration of the Renewal Term. The Interim Term, Primary Term, together with any Renewal Term, shall constitute the "Term" of this Lease.

4. RENTAL: (a) Tenant shall pay to Landlord the following amounts as rent for the Premises:

(i) During the term of this Lease, Tenant shall pay to Landlord, as fixed monthly rent, the amount of monthly rent specified in the Basic Lease Information (the Fixed Rent).

(ii) Throughout the term of this Lease, Tenant shall pay, as additional rent, all other amounts of money and charges required to be paid by Tenant under this Lease, whether or not such amounts of money or charges are designated Additional Rent. As used in this Lease, "Rent" shall mean and include all Fixed Rent and Additional Rent payable by Tenant in accordance with this Lease.

(b) It is the intention of Landlord and Tenant that the Fixed Rent payable by Tenant to Landlord during the entire term of this Lease shall be absolutely net of all costs and expenses incurred in connection with the management, operation, maintenance and repair of the Premises in accordance with this Lease, except to the extent of Landlord's obligations under paragraph 8(a). Landlord shall have no obligations or liabilities whatsoever with respect to the management or operation of the Premises, or (except as expressly provided herein) maintenance or repair of the Premises during the term of this Lease, and Tenant shall manage and operate and, except to the extent of Landlord's obligations hereunder, maintain and repair the Premises in accordance with this Lease and shall pay all costs and expenses incurred in connection therewith before such costs or expenses become delinquent. Without limiting the generality of the foregoing, throughout the Term hereof, Tenant shall pay, as Additional Rent, all premiums for all property and liability insurance covering the Premises carried by Landlord, all Property Taxes (as defined in paragraph 4(e)) and all Other Taxes (as defined in paragraph 5(b)) that accrue during or are allocable to the Terms hereof.

(c) Tenant shall pay all Fixed Rent to Landlord, in advance, on or before the first day of each and every calendar month during the Term of this Lease without notice, by wire transfer or other electronic means (or otherwise so there are collected funds available to Landlord on the due date). Interest at the Overdue Rate shall accrue on Fixed Rent from the due date thereof to the date of actual payment. Tenant shall pay all Additional Rent when due. Tenant shall pay all Fixed Rent to Landlord without notice, demand, deduction or offset, in lawful money of the United States of America, at the address of Landlord specified in the Basic Lease Information, or to such other person or at such other place as Landlord may from time to time designate in writing.

5. TAXES:

(a) Tenant shall pay, as Additional Rent, all Property Taxes prior to the assessment of any interest or penalty for late payment. Property Taxes shall mean all taxes, assessments, excises, levies, fees and charges (and any tax, assessment, excise, levy, fee or charge levied wholly or partly in lieu thereof or as a substitute therefor or as an addition thereto) of every kind and description, general or special, ordinary or extraordinary, foreseen or unforeseen, secured or unsecured, whether or not now customary or within the contemplation of Landlord and Tenant, that are levied, assessed, charged, confirmed or imposed by any public or government authority on or against, or otherwise with respect to, the Premises or any part thereof or any personal property used in connection with the Premises. Property Taxes shall not include net income,

documentary transfer or inheritance taxes of Landlord, unless levied or assessed against Landlord in whole or in part in lieu of, as a substitute for, or as an addition to any Property Taxes.

(b) Tenant shall pay, as Additional Rent, all Other Taxes prior to the assessment of any interest or penalty for late payment. Other Taxes shall mean all taxes, assessments, excises, levies, fees and charges, including all payments related to the cost of providing facilities or services, whether or not now customary or within the contemplation of Landlord and Tenant, that are levied, assessed, charged, confirmed or imposed by any public or government authority upon, or measured by, or reasonably attributable to (i) the Premises, (ii) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, regardless of whether title to such improvements is vested in Tenant or Landlord, (iii) any Rent payable under this Lease, including any gross income tax or excise tax levied by any public or government authority with respect to the receipt of any such Rent, (iv) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or (v) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. Other Taxes shall not include net income, documentary transfer or inheritance taxes of Landlord.

(c) Except for any tax on the net income derived from the Fixed Rent, if at any time during the Term, any method of taxation shall be such that there shall be levied, assessed or imposed on the Landlord, or on the Fixed Rent or Additional Rent, or on the Premises, or any portion thereof, a capital levy, gross receipts tax, occupational license tax or other tax on the Rents received therefrom, or a franchise tax, or an assessment, gross receipts levy or charge measured by or based in whole or in part upon such gross Rents, Tenant, to the extent permitted by law, covenants to pay and discharge the same, it being the intention of the parties hereto that the Fixed Rent to be paid hereunder shall be paid to Landlord absolutely net without deduction or charge of any nature whatsoever, foreseeable or unforeseeable, ordinary or extraordinary, or of any nature, kind, or description, except as otherwise expressly provided in this Lease.

(d) Tenant covenants to furnish Landlord official receipts of the appropriate taxing authority, if any, or other appropriate proof reasonably satisfactory to Landlord, evidencing the payment of the same promptly after payment. The certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition may be relied upon by Landlord as sufficient evidence that such Imposition is due and unpaid at the time of making or issuance of such certificate, advice or bill.

(e) During (x) the continuance of an Event of Default hereunder and for twenty-four (24) months following the cure thereof, and (y) the last year of the Term hereof, Landlord may deliver to Tenant Landlord's reasonable estimate of the Property Taxes which it anticipates will be paid or incurred for the ensuing calendar year or fiscal year, as Landlord may reasonably determine, and Tenant shall pay to Landlord an amount equal to the estimated amount of such

expenses for such year in equal monthly installments during such year with the installments of Fixed Rent. Payment by Tenant of estimated amounts of real estate taxes and assessments under this paragraph 4(e) shall be considered as performance of such obligation under the provisions of paragraph 4(a) hereof. If Landlord shall have elected to bill Tenant for Property Taxes on an estimated basis in accordance with this provision, Landlord will furnish to Tenant within 120 days following the end of the applicable calendar or fiscal year, as the case may be, a written statement setting forth (i) the amount of such expenses paid or incurred during the just ended calendar or fiscal year, and (ii) the amount that Tenant has paid to Landlord for credit against such expenses for the stated period, Landlord shall promptly refund in cash to Tenant the amount of such overpayment. If such year end statement shall show that Tenant did not pay its obligation for such expenses in full, then Tenant shall pay to Landlord the amount of such underpayment within ten (10) business days from Landlord's billing of same to Tenant. The provisions of this paragraph shall survive the expiration or earlier termination of this Lease.

(f) Tenant shall have the right to contest the amount or validity, in whole or in part, of any Property Tax or Other Tax or to seek a reduction in the valuation of the Premises as assessed for real estate property tax purposes by appropriate proceedings diligently conducted in good faith (but only after payment of such Tax). Landlord shall, at the expense of Tenant, reasonably cooperate in any proceeding referred to in this subparagraph (f), and if required by law, Landlord shall, upon written request by Tenant, join in such proceedings or permit the same to be brought in its name, all at the expense of Tenant. Tenant covenants that Landlord shall not suffer or sustain any costs or expenses (including, but not limited to, counsel fees) or any liability in connection with any such proceeding and that Landlord need not participate if such proceeding would subject Landlord to any material civil liability or the risk of any criminal liability. If Landlord initiates action to reduce the tax assessment of the Premises, and succeeds in causing such a reduction, Tenant shall pay Landlord a fee for such services equal to the actual costs of such action plus 10% of the taxes saved, but in no event more than the amount of taxes saved; such fee shall be payable over the period of such tax savings.

6. NET LEASE: NON-TERMINABILITY: (a) This is an absolutely net lease and the Fixed Rent, Additional Rent and all other sums payable hereunder by Tenant shall be paid without notice (except as expressly provided herein), demand, set-off, counterclaim, abatement, suspension, deduction or defense, except as otherwise herein expressly provided. It is the intention of the parties hereto that the Fixed Rent shall be an absolutely net return to Landlord throughout the term of this Lease. In order that such Rent shall be absolutely net to Landlord, Tenant shall pay when due, and save Landlord harmless from and against, any and all costs, charges and expenses attributable to the Premises, including but not limited to, each fine, fee penalty, charge (including governmental charges), assessments, sewer rent, Impositions, insurance premiums as may be required from time to time by Mortgagee (and, in any event, Landlord's lessor's risk liability insurance), utility expenses, carrying charges, costs, expenses and obligations of every kind and nature whatsoever, general and special, ordinary and extraordinary, foreseen and unforeseen, the payment for which Landlord or Tenant is, or shall become liable by reason

of any rights or interest of Landlord or Tenant in, to or under the Premises or this Lease or in any manner relating to the ownership, leasing, operation, management, maintenance, repair, rebuilding use or occupation of the Premises, or of any portion thereof; provided, however, that nothing herein contained shall be construed as imposing upon Tenant any obligation to pay any estate, inheritance, succession or transfer tax of the Landlord growing out of, or levied in connection with, this Lease or the Landlord's right or interest in the Premises.

(b) This Lease shall not terminate, nor shall Tenant have any right to terminate this Lease, nor shall Tenant be entitled to any abatement or (except as otherwise expressly provided in paragraph 13) reduction of Rent hereunder, nor shall the obligations of Tenant under this Lease be affected, by reason of (i) subject to paragraph 9, any damage to or destruction of all or any part of the Premises from whatever cause, (ii) subject to paragraph 13, the taking of the Premises or any portion thereof by condemnation, requisition or otherwise, (iii) Tenant's acquisition or ownership of all or any part of the Premises otherwise than as expressly provided herein, and (iv) any default on the part of Landlord under this Lease, or under any other agreement to which Landlord and Tenant may be parties. It is the intention of the parties hereto that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Fixed Rent, the Additional Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected unless the requirement to pay or perform the same shall have been terminated pursuant to any express provision of this Lease.

(c) Tenant agrees that it will remain obligated under this Lease in accordance with its terms, and that it will not take any action to terminate, rescind or avoid this Lease, notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution or winding-up or other proceeding affecting Landlord or its successor in interest, or (ii) any action with respect to this Lease which may be taken by any trustee or receiver of Landlord or its successor in interest or by any court in any such proceeding.

(d) Tenant waives all rights which may now or hereafter be conferred by law (i) except as provided in paragraphs 9 and 13, to quit, terminate or surrender this Lease or the Premises or any part thereof, or (ii) to any abatement, suspension, deferment or (except as provided in paragraph 13) reduction of the Fixed Rent, Additional Rent or any other sums payable under this Lease, except as otherwise expressly provided herein. The foregoing waivers shall not affect Tenant's right to seek injunctive relief or money damages in connection with default of Landlord hereunder, provided that damages shall be collected only out of Landlord's interest in the Premises, other than Landlord's interest in the Fixed Rent and Additional Rent payable hereunder.

7. SERVICES:

Tenant shall, at Tenant's sole cost and expense, supply the Premises with electricity, heating, ventilating and air conditioning, water, natural gas, lighting, replacement for all lights, restroom supplies, telephone service, window washing, security service, janitor, scavenger and disposal services (including hazardous and biological waste disposal), and such other services as Tenant determines to furnish to the Premises. Landlord shall not be in default hereunder or be liable for any damage or loss directly or indirectly resulting from, nor shall the Fixed Rent or Additional Rent be abated or a constructive or other eviction be deemed to have occurred by reason of, the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, any failure to furnish or delay in furnishing any such services, whether such failure or delay is caused by accident or any condition beyond the control of Landlord or Tenant or by the making of repairs or improvements to the Premises, or any limitation, curtailment, rationing or restriction on use of water, electricity, gas or any form of energy serving the Premises, whether such results from mandatory governmental restriction or voluntary compliance with governmental guidelines. Tenant shall pay the full cost of all of the foregoing services and all other utilities and services supplied to the Premises as Additional Rent.

8. REPAIRS AND MAINTENANCE; REPLACEMENT:

(a) Except as otherwise expressly provided below, Tenant shall, at its own sole cost and expense, keep the Premises in good order and condition, at all times on and after commencement of the Term to and including the date of the termination of the Term, by lapse of time or otherwise. Tenant shall promptly and adequately repair the Premises and all its component parts, except as expressly provided below, and replace or repair all landscaping and all damaged or broken fixtures, (including Tenant's Trade Fixtures) and appurtenances.

In addition, Tenant shall timely and properly maintain, repair and replace all of the Premises including, but not necessarily limited to, parking lot surface and stripes, mechanical systems, electrical and lighting systems, plumbing and sewage systems and glazing systems by a qualified engineer or otherwise, so as to preserve and protect the useful life, utility and value of such component, but in all events so as to preserve the effectiveness of any warranty relating thereto. Notwithstanding the foregoing and subject to the next sentence, Landlord shall be solely responsible for the replacement (but not maintenance and repair, it being understood that Landlord will assign to Tenant any right to have the operator of an antenna on the roof of the Property repair damage that such operator causes) of the structure and membrane of the roof (subject to the provisions of paragraph 24(d)), foundation and floor slabs, structural steel and exterior load-bearing masonry walls; Landlord is not responsible for the watertightness of the walls or for the doors, windows, skylights, seals or other elements of the building except as herein expressly provided. Notwithstanding the immediately preceding sentence, until June 30, 2003, Tenant shall have the responsibility to replace the structure and membrane of the roof if such components are in need of replacement. If any building system or component shall become unfit for its intended

use or, in Landlord's reasonable judgment, uneconomic to repair, then (except for the above described items which Landlord has agreed to replace) Tenant shall remove such item from the Premises and, promptly replace it with an item of comparable initial value and function. Tenant shall obtain Landlord's prior written consent before making any change in any building system. Tenant shall deliver to Landlord a written statement showing all removals and replacements of such systems or components during the preceding calendar year, including manufacturers, model numbers, and serial numbers; Landlord shall have 30 days after delivery of such statement to object to any item therein, and such statement shall thereafter be conclusive as to all items not objected to. Landlord, may upon 48 hours prior notice cause independent private inspectors to make inspections of any building and building systems on the Premises or segments thereof to determine Tenant's compliance under this paragraph 8.

Landlord may, but is not required to, after notice to Tenant to repair and the failure of Tenant to commence repair within ten (10) days and thereafter to complete such repair with reasonable promptness (except in the case of emergency, in which case Tenant shall be given notice contemporaneously with entry), enter the Premises and make such repairs, alterations, improvements, additions, replacements or maintenance as Landlord deems reasonably necessary, in a diligent fashion, and Tenant shall pay Landlord as Additional Rent forthwith upon being billed for same by Landlord the cost thereof plus an administrative fee of 10% of such cost, such fee representing Landlord's reasonable overhead, fees and other costs or expenses arising from Landlord's involvement with such repairs, alterations, improvements, additions, replacements and maintenance. Such amounts shall bear interest at the Overdue Rate from the date of billing until paid.

(b) Tenant shall maintain on the Premises, and turn over to Landlord upon expiration or termination of this Lease, current operating manuals for the equipment now or hereafter located on the Premises.

(c) Tenant covenants not to install any underground storage tank on the Land.

(d) Tenant undertakes to cooperate with Landlord in any effort to cause Friberg Parkway to be dedicated and accepted as a public street to be maintained by the Town or Westborough. Until such dedication and acceptance has occurred, Tenant shall cause Friberg Parkway to be maintained in good condition (not including general resurfacing or other capital repairs) and shall cause snow and ice to be removed therefrom in a timely fashion. If any third parties are responsible for any part of the cost of the maintenance and repair of Friberg Parkway, Tenant shall nevertheless be solely responsible to Landlord for all such repair and maintenance, but shall be entitled to seek reimbursement from any such third parties. Tenant shall comply with the terms of a side letter, dated as of the date hereof, between Landlord and Tenant relating to certain matters bearing on the costs associated with Friberg Parkway. Pursuant to an Asset Management Agreement dated as of the date hereof between Landlord and Tenant, Landlord will

be responsible for the capital costs of Friberg Parkway such as resurfacing or relocation of culverts.

9. DESTRUCTION OF OR DAMAGE TO PREMISES: If the Improvements are damaged in a single casualty or related series of casualties and the reasonably estimated cost of rebuilding and repairing the Improvements to their condition immediately prior to such casualty equals or exceeds 25% of the reasonably estimated replacement cost of the Improvements and the time reasonably estimated to rebuild and repair the Improvements is greater than twelve months, Tenant shall have the option, by notice to Landlord within thirty (30) days after such casualty, to terminate this Lease; upon any such termination, Tenant shall assign to Landlord all insurance proceeds attributable to such casualty and shall pay to Landlord the amount of any deductible under any applicable hazard insurance policy. If the Improvements, or any part thereof, are damaged by fire or other casualty during the Term of this Lease, Tenant shall repair such damage and restore the Improvements to substantially the same or better condition as existed before the occurrence of such fire or other casualty using materials of the same or better grade than that of the materials being replaced, and this Lease shall remain in full force and effect. Such repair and replacement by Tenant shall be done in accordance with paragraph 22 and the standards of paragraph 8 and Tenant shall, at its expense, obtain all permits required for such work. In no event shall Fixed Rent or Additional Rent abate, nor (except as expressly set forth above) shall this Lease terminate by reason of such damage or destruction. Provided Tenant is not in default under this Lease (and no event has occurred which, with the passage of time, the giving of notice, or both, would constitute a default), and provided Tenant has (i) delivered to Landlord plans and specifications and a budget for such repair and restoration (all of which Landlord shall have approved in its reasonable judgment), and (ii) deposited with Landlord or the Proceeds Trustee hereinafter mentioned cash in the sum equal to the excess, if any, of the total cost set forth in such approved budget over the amount of insurance proceeds received on account of such casualty, then Landlord shall make available to Tenant all insurance proceeds actually received by Landlord on account of such casualty, for application to the costs of such approved repair and restoration, as set forth below. Tenant shall pay Landlord's reasonable out of pocket expenses incurred in connection with the casualty loss and insurance claim, including travel, expert investigators and counsel fees.

In the event the estimated cost of reconstruction is in excess of \$1,000,000, all insurance proceeds shall be paid to or deposited with either a bank or trust company designated by Landlord, subject to the reasonable approval of Tenant (herein called the "Proceeds Trustee") in the name of the Proceeds Trustee as trustee for Landlord and Tenant and disbursed in the manner hereinafter provided. In the event Landlord mortgages the Premises with a First Mortgage, the mortgagee thereunder may, at its option, be appointed Proceeds Trustee for so long as such First Mortgage remains outstanding and such Mortgagee does not control Landlord or is not controlled by or under common control with Landlord. Insurance proceeds shall be deposited in an interest bearing account and interest shall be distributed to Tenant upon completion of said installation, repair, replacement or rebuilding, provided no default has occurred and is continuing hereunder. All

checks drawn on said account shall be co-signed by the Proceeds Trustee and Tenant. Insurance proceeds shall be disbursed to Tenant by the Proceeds Trustee under the following procedure:

(i) No more frequently than once per calendar month, Tenant may request that Landlord reimburse Tenant out of such insurance proceeds for costs incurred by Tenant for work in place to repair and restore the Premises during the immediately preceding calendar month. Tenant's request shall certify that all work for which reimbursement is requested was performed in compliance with the plans and specifications approved by Landlord pursuant to paragraph 8 and all applicable laws, and shall include reasonably satisfactory evidence of the costs incurred by Tenant and unconditional lien releases in form and substance required by applicable law executed by all mechanic's, materialmen, laborers, suppliers and contractors who performed any portion of the repair work or applied materials.

(ii) Within fifteen (15) days after receiving Tenant's request, Landlord shall approve or disapprove Tenant's request, which approval shall not be unreasonably withheld, by written notice to Tenant. If Landlord approves all or any portion of a request and Landlord has received (and not previously disbursed) insurance proceeds, then Landlord's approval shall include a check in the amount approved by Landlord. If Landlord disapproves all or any portion of a request, then Landlord's notice shall state the reasons for that disapproval. Landlord's failure to deliver a notice approving or disapproving a request shall be conclusively deemed Landlord's disapproval of the request. In addition, Landlord shall have the right to impose other conditions upon disbursement so long as they are consistent with customary construction loan disbursement practices.

10. INSURANCE, HOLD HARMLESS AND INDEMNIFICATION:

(a) Landlord shall not be liable to Tenant for any damage to or loss or theft of any property or for any bodily or personal injury, illness or death of any person in, on or about the Premises arising at any time and from any cause whatsoever other than Landlord's acts or omissions or the acts or omissions of Landlord's agents. Tenant waives all claims against Landlord arising from any liability described in this paragraph 10(a), except to the extent caused by the gross negligence or willful misconduct of Landlord.

(b) Tenant hereby agrees to indemnify and defend Landlord against and hold Landlord harmless from all claims, demands, liabilities, damages, losses, costs and expenses, including reasonable attorneys' fees and disbursements, arising from or related to any use or occupancy of the Premises, or any condition of the Premises, or any default in the performance of Tenant's obligations hereunder, or any damage to any property (including property of employees and invitees of Tenant) or any bodily or personal injury, illness or death of any person (including employees and invitees of Tenant) occurring in, on or about the Premises (including on Friberg Parkway) or any part thereof or any part of the building or the land constituting a part of the Premises arising at any time and from any cause whatsoever or occurring outside the Premises

when such damage, bodily or personal injury, illness or death is caused by any act or omission of Tenant or its agents, officers, employees, contractors, invitees or licensees. The foregoing indemnity does not apply to any claims arising out of the negligence or wilful misconduct of Landlord. This paragraph 10(b) shall survive the termination of this Lease with respect to any damage, bodily or personal injury, illness or death occurring prior to such termination.

(c) Tenant shall, at all times and during the term of this Lease and at Tenant's sole cost and expense, obtain and keep in force comprehensive commercial general liability and special cause of loss insurance, including contractual liability (specifically covering this Lease), cross liability, fire legal liability, and premises operations, all on an "claims made" policy form, with a minimum combined single limit in the amount of \$5,000,000 per occurrence for bodily or personal injury to, illness of, or death of persons and damage to property occurring in, on or about the Premises, and such insurance shall name the Landlord and any other parties reasonably designated by Landlord as additional insureds. Tenant shall, at Tenant's sole cost and expense, be responsible for insuring Tenant's furniture, equipment, fixtures, computers, office machines and personal property.

(d) Tenant shall, at all times during the Term of this Lease and at Tenant's sole cost and expense, obtain and keep in force worker's compensation and employer's liability insurance in all states in which the Premises and any other operations of the Tenant are located and any other state in which the Tenant or its contractors or subcontractors may be subject to any statutory or other liability arising in any manner whatsoever out of the actual or alleged employment of others.

(e) Tenant shall, at all times during the Term of this Lease, at Tenant's sole cost and expense, obtain and keep in force or reimburse Landlord for the cost of (i) insurance against loss (including earthquake and flood) or damage to the Premises by fire and all other risks of physical loss (including earthquake and flood) covered by insurance of the type now known as "all risk," with difference in conditions coverage, in an amount not less than the full replacement cost of the Premises (without deduction for depreciation), including the cost of debris removal and such endorsements as Landlord may reasonably require, and containing "Replacement Cost" and "Agreed Amount" endorsements; (ii) boiler and machinery insurance covering pressure vessels, air tanks, boilers, machinery, pressure piping, heating, ventilation and air conditioning equipment, and elevator and escalator equipment, provided the Premises contain equipment of such nature and insurance against loss of occupancy or use arising from any breakdown of any such items, in such amounts as Landlord may reasonably determine; (iii) rental interruption insurance insuring that the Fixed Rent will be paid to Landlord for up to one year if the Premises are destroyed or rendered untenable by any cause insured against (it being understood that the existence of such insurance does not reduce Tenant's obligation to pay Fixed Rent without diminution); and (iv) insurance in amounts and against such other risks as Landlord or Mortgagee may reasonably require and against such risks as are customarily insured against by operators of similar properties.

(f) All insurance required to be maintained by Tenant under this paragraph 10 and all renewals thereof shall be issued by good and responsible companies qualified to do and doing business in the state of where the Premises are located and having a Standard and Poor's Corporation claims paying ability rating of at least "AA" and shall be reasonably satisfactory to Landlord. All deductible amounts under each such insurance policy shall be subject to Landlord's prior written approval. Each policy to be maintained by Tenant shall expressly provide that the policy shall not be canceled or altered without thirty (30) days' prior written notice to Landlord and shall remain in effect notwithstanding any such cancellation or alteration until such notice shall have been given to Landlord and such period of thirty (30) days shall have expired. All insurance under this paragraph 10 to be maintained by Tenant shall name Landlord and any other parties reasonably designated by Landlord as an additional insured and loss payee, shall be primary and noncontributing with any insurance which may be carried by Landlord, shall afford coverage for all claims based on any act, omission, event or condition that occurred or arose (or the onset of which occurred or arose) during the policy period, and shall expressly provide that Landlord, although named as an insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Landlord. Tenant may carry such insurance under "blanket" policies, provided such policies expressly reserve an amount of coverage for the Premises equal to the amount required by this Lease. Upon the issuance of each such policy to be maintained by Tenant, Tenant shall deliver a copy of each such policy and a certificate thereof (Acord 27 form) to Landlord for retention by Landlord. Landlord shall have the right from time to time to effect insurance for the benefit of Tenant or Landlord or both of them and all premiums paid by Landlord shall be payable by Tenant as Additional Rent on demand. Tenant shall pay to Landlord, immediately upon demand all reasonable costs incurred by Landlord to obtain and maintain in effect the policies of insurance required under this paragraph 10 or otherwise required by Landlord.

(g) Tenant waives on behalf of all insurers under all policies of property, liability and other insurance (excluding workers' compensation) now or hereafter carried by Tenant insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, all rights of subrogation which any insurer might otherwise, if at all, have to any claims of Tenant against Landlord. Landlord waives on behalf of all insurers under all policies of property, liability and other insurance (excluding workers' compensation) now or hereafter carried by Landlord insuring or covering the Premises or any portion or any contents thereof, or any operations therein, all rights of subrogation which any insurer might otherwise, if at all, have to any claims of Landlord against Tenant. Tenant shall, prior to or immediately after the date of this Lease, procure from each of the insurers under all policies of property, liability and other insurance (excluding workers' compensation) now or hereafter carried by Tenant insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, a waiver of all rights of subrogation which the insurer might otherwise, if at all, have to any claims of Tenant against Landlord (but not Landlord's contractors) as required by this paragraph 10(g).

11. COMPLIANCE WITH LAWS, COVENANTS:

Tenant shall throughout the Term promptly comply or cause compliance with or remove or cure any violation of any and all present and future laws, including, without limitation, the Americans with Disabilities Act of 1990, as the same may be amended from time to time, ordinances (zoning or otherwise), orders, rules, regulations and requirements of all Federal, State, municipal and other governmental bodies having jurisdiction over the Premises and the appropriate departments, commissions, boards and officers thereof, and the orders, rules and regulations of the Board of Fire Underwriters where the Premises are situated, or any other body now or hereafter constituted exercising lawful or valid authority over the Premises, or any portion thereof, or the sidewalks, curbs, roadways, alleys or entrances adjacent or appurtenant thereto, or exercising authority with respect to the use or manner of use of the Premises, or such adjacent or appurtenant facilities, and whether the compliance, curing or removal of any such violation and the costs and expenses necessitated thereby shall have been foreseen or unforeseen, ordinary or extraordinary, and whether or not the same shall be presently within the contemplation of Landlord or Tenant or shall involve any change in governmental policy, or require extraordinary repairs, alterations or additions by Tenant and irrespective of the amount of the costs thereof, provided that Landlord shall be required to perform and pay for any structural change required by law. Tenant, at its sole cost and expense, shall comply with all agreements, contracts, easements, restrictions, reservations or covenants, if any, running with the land, or hereafter created by Tenant or consented to, in writing, by Tenant or requested, in writing, by Tenant. Tenant shall also comply with, observe and perform all provisions and requirements of all policies of insurance at any time in force with respect to the Premises and required to be obtained and maintained under the terms of paragraph 11 hereof and shall comply with all development permits issued by governmental authorities issued in connection with development of the Premises.

If Tenant shall at any time fail to pay any Imposition in accordance with the provisions of paragraph 4, or to take out, pay for, maintain and deliver any of the insurance policies or certificates of insurance provided for in paragraph 10, or shall fail to make any other payment or perform any other act on its part to be made or performed hereunder, then Landlord, after five (5) business days prior written notice to Tenant (or with contemporaneous notice in situations where Landlord reasonably determines that delay is likely to cause harm to Landlord's interest in the Premises), and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may, but shall be under no obligation to do so,

- (i) pay any Imposition payable by Tenant pursuant to the provisions of this paragraph 11;
- (ii) take out, pay for and maintain any of the insurance policies provided for in paragraph 10; or
- (iii) make any other payment or perform any other act on Tenant's part to be paid or performed hereunder.

Landlord may enter upon the Premises for any such purpose and take all such action therein or thereon as may be necessary therefor. All sums, reasonable under the circumstances, actually so paid by Landlord and all costs and expenses, including reasonable attorney's fees incurred by Landlord in connection with the performance of any such act, together with interest thereon at the Overdue Rate, shall be paid by Tenant to Landlord on demand and submission of reasonable evidence of such expenditures. Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep in force insurance as aforesaid, to the amount of the insurance premium or premiums not paid or incurred by Tenant, and which would have been payable upon such insurance, but Landlord shall also be entitled to recover, as damages for such breach, the uninsured amount of any loss, damages, costs and expenses of suit, including reasonable attorney's fees, suffered or incurred by reason of damage to or destruction of the Premises, or any portion thereof or other damage or loss which Tenant is required to insure against hereunder, occurring during any period when Tenant shall have failed or neglected to provide insurance as aforesaid.

12. PARTIAL TAKING:

If less than substantially all of the Premises (as defined in paragraph 13) shall be taken for public or quasi-public purposes, Tenant will promptly, at its sole cost and expense, restore, repair, replace or rebuild the Improvements so taken in conformity with the requirements of paragraph 8 as nearly as practicable to the condition, size, quality of workmanship and market value thereof immediately prior to such taking, without regard to the adequacy of any condemnation award for such purpose. There shall be no abatement of Rent as a result of such taking unless any portion of the Improvements or so much of the land as makes impossible a parking ratio of 3.5 spaces per 1,000 net rentable square feet of Improvements shall have been taken. If any portion of the Improvements is taken, Fixed Rent shall be reduced in proportion to the square feet so taken. If parking is reduced to less than 3.5 spaces per 1,000 square feet (taking into account spaces that could reasonably be located elsewhere on the Land), Fixed Rent shall be reduced equitably for each parking space below the 3.5 to 1,000 ratio. In performing its obligations, Tenant shall be entitled to all condemnation proceeds available to Landlord under the same terms and conditions for disbursement set forth for casualty proceeds in paragraph 9 hereof. Any condemnation proceeds in excess of the amounts as are made available to Tenant for restoration or repair of the Premises, shall be the sole and exclusive property of Landlord. Tenant shall have the right to participate in condemnation proceedings with Landlord, and shall be entitled to receive any award made by the condemning authority in respect of business loss or, if available, business relocation and any other claim permitted by law which does not, in any such case, diminish Landlord's recovery.

13. SUBSTANTIAL TAKING:

If all of the Premises, or 25 % of the Improvements, or so much of the Land as makes impossible a parking ratio of 3.5 spaces per 1,000 net rentable square feet of Improvements shall

be taken for public or quasi-public purposes (a "substantial taking"), then Tenant, in lieu of rebuilding as contemplated by Paragraph 12, may, not later than 30 days after such taking, deliver to Landlord (i) notice of its intention to terminate this Lease on a date occurring not more than 95 days nor less than 60 days after such notice (the Termination Date), (ii) a certificate by the president or a vice president of Tenant describing the event giving rise to such termination, stating that such event meets the criteria for a substantial taking and providing data supporting such certification.

14. DEFAULT: Events of Default:

The occurrence of any one or more of the following events ("Event of Default") shall constitute a breach of this Lease by Tenant:

(a) Tenant fails to pay any Fixed Rent as and when such Fixed Rent becomes due or fails to pay the asset management fee under the Asset Management Agreement, dated as of the date hereof, between Landlord and Tenant, and either such failure continues for ten (10) days after notice from Landlord; provided, however, that after the second such failure in a calendar year, only the passage of time, but no further notice, shall be required to establish an Event of Default in the same calendar year; or

(b) Tenant fails to pay any Additional Rent as and when such Additional Rent becomes due and payable and such failure continues for more than ten (10) days after Landlord gives written notice thereof to Tenant; provided, however, that after the second such failure in a calendar year, only the passage of time, but no further notice, shall be required to establish an Event of Default in the same calendar year; or

(c) Tenant fails to perform or breaches any other agreement or covenant of this Lease to be performed or observed by Tenant as and when performance or observance is due and such failure or breach continues for more than thirty (30) days after Landlord's giving written notice thereof to Tenant; provided, however, that if, by the nature of such agreement or covenant, such failure or breach cannot reasonably be cured within such period of thirty (30) days (it being agreed that the agreements and covenants of paragraph 24 are not subject to this proviso), an Event of Default shall not exist as long as Tenant commences with due diligence and dispatch the curing of such failure or breach within such period of thirty (30) days and, having so commenced, thereafter prosecutes with diligence and dispatch and completes the curing of such failure or breach; or

(d) Tenant (i) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (ii) makes an assignment for the benefit of its creditors, (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Tenant or of

any substantial part of Tenant's property, or (iv) takes action for the purpose of any of the foregoing; or

(e) Without consent by Tenant, a court or government authority enters an order, and such order is not vacated within thirty (30) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Tenant or with respect to any substantial part of Tenant's property, or (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy, insolvency or other debtors' relief law of any jurisdiction, or (iii) ordering the dissolution, winding-up or liquidation of Tenant; or

(f) This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days; or

(g) Tenant abandons the Premises; or

(h) Tenant fails to perform any obligation under paragraph 24(e) hereof; or

(i) Tenant's representations or warranties contained in this Lease or in any certificate or other writing delivered pursuant hereto or thereto shall have been incorrect in any material adverse way when made.

Landlord may treat the occurrence of any one or more of the foregoing Events of Default as a breach of this Lease. For so long as such Event of Default continues, Landlord, at its option and with or without notice or demand of any kind to Tenant or any other person, may have any one or more of the remedies provided in this Lease, in addition to all other remedies and rights provided at law or in equity.

15. REMEDIES: In the event of any Event of Default, Landlord may, in addition to, and not in derogation of any remedies for any preceding breach, with or without notice of demand (except as otherwise expressly provided herein) and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such Event of Default:

(a) Landlord shall have the right at any time to give a written termination notice to Tenant and, on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate. Upon such termination, Landlord shall have the right to recover from Tenant:

(i) All unpaid Rent which had been earned at the time of termination;

(ii) The present value of the amount by which all unpaid Rent for the balance of the Term of this Lease after the time of determination exceeds the present value of the fair rental value of the Premises for the duration of such Term; and

(iii) All other amounts necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform all of Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. For the purpose of determining unpaid Rent under clause (i) and (ii) above, the Rent reserved in this Lease shall be deemed to be the total Rent payable by Tenant under paragraph 4 hereof.

(b) Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to enforce all its rights and remedies under this Lease, including the right to recover all Rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession unless written notice of termination is given by Landlord to Tenant. Landlord shall undertake to mitigate its damages hereunder to the extent required by applicable law. If Landlord relets the Premises, any net income (after costs of preparing the Premises for reletting including the cost of tenant improvements paid by Landlord, brokerage commissions, attorneys' fees and other costs incurred in connection with reletting) shall be deducted from the amount Tenant is obligated to pay under this paragraph (b).

(c) All agreements and covenants to be performed or observed by Tenant under this Lease shall be at Tenant's sole cost and expense and without any abatement of Fixed Rent or Additional Rent. If Tenant fails to pay any sum of money to be paid by Tenant or to perform any other act to be performed by Tenant under this Lease as and when due or required to be performed, Landlord shall have the right, but shall not be obligated, and without waiving or releasing Tenant from any obligations of Tenant, upon prior notice and the expiration of any applicable cure period, to make any such payment or to perform any such other act on behalf of Tenant in accordance with this Lease. All sums so paid by Landlord and all reasonable and necessary incidental costs shall be deemed Additional Rent hereunder and shall be payable by Tenant to Landlord on demand, together with interest on all such sums from the date of expenditure by Landlord to the date of repayment by Tenant at the Overdue Rate. Landlord shall have, in addition to all other rights and remedies of Landlord, the same rights and remedies in the event of the nonpayment of such sums plus interest by Tenant as in the case of default by Tenant in the payment of Rent.

(d) If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any movable furniture, equipment, trade fixtures or personal property belonging to Tenant and left in the Premises shall be deemed to be abandoned, at the option of Landlord, and Landlord shall have the right to sell or otherwise dispose of such personal property in any commercially reasonable manner. If Tenant abandons the Premises, Landlord shall have the right,

but not the obligation, to sublet the Premises on reasonable terms for the account of Tenant, and Tenant shall be liable for all costs of such subletting, including without limitation the reasonable cost of preparing the Premises for subtenants and leasing commissions paid to brokers.

16. SUBORDINATION:

(a) Subordination, Non-Disturbance. Tenant agrees at any time hereafter, and from time to time within ten (10) days of written request of Landlord, to execute and deliver to Landlord an instrument in the form customarily used by any institutional investor becoming a Mortgagee subjecting and subordinating this Lease to the lien of any mortgage, deed of trust, security instrument, ground or underlying lease or other document of like nature (hereinafter collectively referred to as "Superior Mortgage") which at any time may be placed upon the Premises, or any portion thereof, by Landlord, and to any replacements, renewals, amendments, consolidations, modifications, extensions or refinancing thereof, and to each and every advance made under any Superior Mortgage. It is agreed, nevertheless, that so long as there exists no Event of Default, such subordination agreement or other instrument, release or document (herein "Subordination Agreement") shall not interfere with, hinder or reduce Tenant's right to quiet enjoyment under this Lease, nor the right of Tenant to continue to occupy the Premises, and all portions thereof, and to conduct its business thereon in accordance with the covenants, conditions, provisions, terms and agreements of this Lease. The costs of preparing and recording such document shall be borne by Landlord, but Tenant shall be responsible for its own counsel fees.

(b) Mortgagee Protection Clause. In the event of any act or omission of Landlord constituting a default by Landlord, Tenant shall not exercise any remedy until Tenant has given Landlord and any Mortgagee of the Premises (of which Tenant has been notified in writing) written notice of such act or omission, and until a reasonable period of time (not to exceed 10 business days) to allow Landlord or the Mortgagee to remedy such act or omission shall have elapsed following receipt of such notice. However, if such act or omission cannot, with due diligence and in good faith, be remedied within such period or cannot be cured simply by the payment of money, Landlord and Mortgagee shall be allowed such further period of time as may be reasonably necessary provided that either or both commence remedying the same with due diligence and in good faith and thereafter diligently prosecutes such cure. Nothing herein contained shall be construed or interpreted as requiring any Mortgagee receiving such notice to remedy such act or omission.

(c) Attornment. If any Mortgagee shall succeed to the rights of Landlord under this Lease or to ownership of the Premises, whether through possession or foreclosure or the delivery of a deed to the Premises in lieu of foreclosure, then such Mortgagee shall automatically be deemed to have recognized this Lease and to assume the obligations of Landlord hereunder accruing on and after the date such Mortgagee acquired title to the Premises, and Tenant shall attorn to and recognize such Mortgagee as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument that such Mortgagee may reasonably request to evidence such attornment (whether before or after the making of the Mortgage). In the event of any other transfer of Landlord's interest

hereunder, such transferee shall automatically be deemed to have recognized this Lease and to assume the obligations of Landlord hereunder accruing on and after the date of such transfer, Tenant shall attorn to and recognize such transferee as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument that such transferee and Landlord may reasonably request to evidence such attornment.

(d) Upon ten business days' advance written notice, Tenant agrees to execute, acknowledge and deliver a document consenting to the assignment by Landlord of this Lease to a Mortgagee, in a form then in use among institutional lenders, with such changes therein as may be reasonably requested by the Mortgagee.

17. LANDLORD'S RIGHT OF ENTRY: Landlord and its designees shall have the right to enter the Premises at any time during normal business hours on two (2) days advance notice and to inspect the same, perform roof and structural work, post notices of non-responsibility, exhibit the Premises to prospective purchasers, mortgagees and securities analysts, inspect Tenant's insurance policies and certificates of occupancy and other similar documents. During the last year of the Term, Landlord shall have the right to post "for sale" and "for lease" signs on the Real Property.

18. NOTICES: Notices, statements, demands, or other communications required or permitted to be given, rendered or made by either party to the other pursuant to this Lease or pursuant to any applicable law or requirement of public authority, shall be in writing (whether or not so stated elsewhere in this Lease) and shall be deemed to have been properly given, rendered or made, when received by overnight delivery or overnight courier delivery (of if such delivery is refused) or facsimile transmission with a confirmation copy sent by overnight delivery or by overnight courier delivery addressed to the other parties as follows:

To Landlord:

TriNet Essential Facilities XXIII, Inc.
Four Embarcadero Center, Suite 3150
San Francisco, California 94111
Attention: Mark S. Whiting
FAX: (415) 391-6259

With a copy to:

TriNet Corporate Realty Trust, Inc.
100 Westlakes Drive, Suite 150
Berwyn, Pennsylvania 19312
Attention: Peter Monaghan
FAX: (610) 640-5829

With a copy to:

Day, Berry & Howard
260 Franklin Street
Boston, Massachusetts 02110
Attention: Lewis A. Burleigh, Esq.
FAX: (617) 345-4745

To Tenant:

Bay State Gas Company
300 Friberg Parkway
Westborough, Massachusetts 01581
Attention: William D. MacGillvray, Esq.
FAX: (508) 836-7073

With a copy to:

Brown, Rudnick, Freed & Gesmer
One Financial Center
Boston, Massachusetts 02111
Attention: Joel M. Reck, Esq.
FAX: (617) 856-8201

Any party listed in this paragraph 18 may, by notices as aforesaid, designate a different address for addresses for notice, statements, demands or other communications intended for it.

19. ESTOPPEL CERTIFICATE: FINANCIAL DATA:

(a) At any time and from time to time, Tenant or Landlord, as the case may be, shall, within ten (10) days after written request by the other, execute, acknowledge and deliver to the requesting party a certificate certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the date and nature of each modification); (b) the Commencement Date and the Expiration Date determined in accordance with paragraph 3 and the date, if any, to which all Rent and other sums payable hereunder have been paid; (c) the amount of Fixed Rent currently payable monthly, (d) that no notice has been received by Tenant (or given by Landlord, as applicable) of any default by Tenant hereunder which has not been cured, except as to defaults specified in such certificate; (e) that Landlord is not in default under this Lease, except as to defaults specified in such certificate; and (f) such other matters as may be reasonably requested by Tenant or by Landlord or any of Landlord's actual or prospective purchasers or mortgage lenders. Any such certificate may be relied upon by Tenant, Landlord and any actual or prospective purchaser or mortgage lender of the Premises or any part thereof.

(b) Tenant shall deliver to Landlord and to any lender or purchaser designated by Landlord the following information: within 90 days after the end of each fiscal year of Tenant, an audited balance sheet of Tenant and its consolidated subsidiaries as at the end of such year, an audited statement of profits and losses of Tenant and its consolidated subsidiaries for such year, and an audited statement of cash flows of Tenant and its consolidated subsidiaries for such year, setting forth in each case, in comparative form, the corresponding figures for the preceding fiscal year in reasonable detail and scope and certified by independent certified public accountants of recognized national standing selected by Tenant; and within 45 days after the end of each of the first three fiscal quarters of Tenant a balance sheet of Tenant and its consolidated subsidiaries as at the end of such quarter, statements of profits and losses of Tenant and its consolidated subsidiaries for such quarter and a statement of cash flows of Tenant and its consolidated subsidiaries for such quarter, setting forth in each case, in comparative form, the corresponding figures for the similar quarter of the preceding year, in reasonable detail and scope, and certified to be true and complete by a financial officer of Tenant having knowledge thereof; the foregoing financial statements all being prepared in accordance with generally accepted accounting principles, consistently applied. So long as Tenant is a reporting company under the Securities and Exchange Act of 1934, as amended, the requirements of this paragraph 19(b) will be satisfied by the delivery of Tenant's Forms 10-K, 10-Q and annual reports promptly upon their filing with the Securities and Exchange Commission.

(c) Upon ten (10) days' prior notice, Tenant will permit Landlord and its professional representatives to visit Tenant's offices, and discuss Tenant's affairs and finances with appropriate officers, and will make available such information as Landlord may reasonably request bearing on the Tenant, the Premises or this Lease, provided that so long as Tenant's securities are publicly held, Landlord shall agree to maintain the confidentiality of any information designated by Tenant as "nonpublic".

20. MECHANICS' LIENS.

Lien and Right of Contest. (a) Tenant shall not suffer or permit any mechanic's lien or other lien to be filed or recorded against the Premises, equipment or materials supplied or claimed to have been supplied to the Premises at the request of Tenant, or anyone holding the Premises, or any portion thereof, through or under Tenant. If any such mechanic's lien or other lien shall at any time be filed or recorded against the Premises, or any portion thereof, Tenant shall cause the same to be discharged of record within thirty (30) days after the date of filing or recording of the same. However, in the event Tenant desires to contest the validity of any lien it shall (i) on or before thirty (30) days prior to the due date thereof (but in no event later than 30 days after the filing or recording thereof), notify Landlord, in writing, that Tenant intends to so contest same; (ii) on or before the due date thereof, if such lien involves an amount in excess of \$100,000 or if any Mortgagee so requires, deposit with Landlord security (in form and content reasonably satisfactory to Landlord or Mortgagee) for the payment of the full amount of such lien, and from time to time deposit additional security so that, at all times, adequate security will be available for the payment of the full amount

of the lien together with all interest, penalties, costs and other charges in respect thereof. Any cash security shall be held in interest bearing accounts.

If Tenant complies with the foregoing, and Tenant continues, in good faith, to contest the validity of such lien by appropriate legal proceedings which shall operate to prevent the collection thereof and the sale or forfeiture of the Premises, or any part thereof, to satisfy the same, Tenant shall be under no obligation to pay such lien until such time as the same has been decreed, by court order, to be a valid lien on the Premises. Any surplus deposit retained by Landlord (including interest earned thereon), after the payment of the lien shall be repaid promptly to Tenant. Provided that nonpayment of such lien does not cause Landlord to be in violation of any of its contractual undertakings, Landlord agrees not to pay such lien during the period of Tenant's contest. However, if Landlord pays for the discharge of a lien or any part thereof from funds of Landlord, any amount paid by Landlord, together with all costs, fees and expenses in connection therewith (including reasonable attorney's fees of Landlord), shall be repaid by Tenant to Landlord on demand by Landlord, together with interest thereon at the Overdue Rate. Tenant shall indemnify and defend Landlord against and save Landlord and the Premises, and any portion thereof, harmless from and against all losses, costs, damages, expenses, liabilities, suits, penalties, claims, demands and obligations, including, without limitation, reasonable attorney's fees, resulting from the assertion, filing, foreclosure or other legal proceedings with respect to any such mechanic's lien or other lien or the attempt by Tenant to discharge same as above provided.

(b) All materialmen, contractors, artisans, engineers, mechanics, laborers and any other Person now or hereafter furnishing any labor, services, materials, supplies or equipment to Tenant with respect to the Premises, or any portion thereof, are hereby charged with notice that they must look exclusively to Tenant to obtain payment for the same. Notice is hereby given that Landlord shall not be liable for any labor, services, materials, supplies, skill, machinery, fixtures or equipment furnished or to be furnished to Tenant upon credit, and that no mechanic's lien or other lien for any such labor, services, materials, supplies, machinery, fixtures or equipment shall attach to or affect the estate or interest of Landlord in and to the Premises, or any portion thereof.

(c) Tenant shall not create, permit or suffer, and, subject to the provisions of paragraph 20(a) hereof, shall promptly discharge and satisfy of record, any other lien, encumbrance, charge, security interest, or other right or interest which, as a result of Tenant's action or inaction contrary to the provisions hereof, shall be or become a lien, encumbrance, charge or security interest upon the Premises, or any portion thereof, or the income therefrom, other than Permitted Encumbrances.

21. END OF TERM: (a) Upon the expiration or earlier termination of the Term of this Lease, Tenant shall surrender the Premises to Landlord in the same condition and suitable for the same use in which the Premises was originally received from Landlord except as repaired, rebuilt or altered as required or permitted by this Lease (or, in the case of termination pursuant to paragraph 13, as condemned), and shall surrender all keys to the Premises to Landlord at the place then fixed

for notices to Landlord and shall inform Landlord of all combinations on locks, safes and vaults, if any. Except as otherwise provided herein, Tenant shall at such time remove all of its property (including Tenant's Trade Fixtures) therefrom and all alterations and improvements placed thereon by Tenant and not consented to by Landlord, if so requested by Landlord. Tenant shall repair any damage to the Premises caused by such removal, and any and all such property not so removed when required shall, at Landlord's option, become the exclusive property of Landlord or be disposed of by Landlord, at Tenant's cost and expense, without further notice to or demand upon Tenant. Notwithstanding the foregoing, Tenant shall have no obligation to surrender any of Tenant's Trade Fixtures.

(b) If the Premises are not surrendered as above set forth, Tenant shall indemnify, defend and hold Landlord harmless from and against loss or liability resulting from the delay by Tenant in so surrendering Premises, including, without limitation, any claim made by any succeeding occupant founded on such delay. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this Lease. In addition to the foregoing, and in addition to the Additional Rent, Tenant shall pay to Landlord Fixed Rent at the holdover rate specified in paragraph 27(k) during each month or portion thereof for which Tenant shall remain in possession of the Premises or any part thereof after the termination of the Term or of Tenant's rights of possession, whether by lapse of time or otherwise. The provisions of this paragraph 21(b) shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein, at law or at equity.

(c) All property of Tenant not removed on or before the last day of the Term of this Lease shall be deemed abandoned. Tenant hereby agrees that Landlord may remove all property of Tenant, including Tenant's Trade Fixtures, from the Premises upon termination of this Lease and to cause its transportation and storage, all at the sole cost and risk of Tenant and Landlord shall not be liable for damage, theft, misappropriation or loss thereof and Landlord shall not be liable in any manner in respect thereto and Landlord shall be entitled to dispose of such property, as Landlord deems fit, without the requirement of an accounting. Tenant shall pay all costs and expenses of such removal, transportation and storage. Tenant shall reimburse Landlord upon demand for any expenses reasonably and actually incurred by Landlord with respect to removal or storage of abandoned property and with respect to restoring said Premises to good order, condition and repair.

(d) Upon the expiration or earlier termination of this Lease, Tenant shall assure that the Premises are in all respects in compliance with all applicable legal requirements of the character described in paragraph 11 then in force applicable to the condition, use or occupancy of the Premises. In the event Tenant does not perform its obligation under this subparagraph, Tenant shall pay to Landlord on demand the full cost incurred by Landlord in causing the Premises to comply with such requirements, including any design, engineering and construction costs relating to legally mandated improvements or alterations. The provisions of this subparagraph shall survive the termination or expiration of this Lease for a period of ninety (90) days. For the ninety (90) days preceding the scheduled expiration of the Term

(e) Except for surrender upon the expiration or earlier termination of the Term hereof as expressly provided herein, no surrender to Landlord of this Lease or of the Premises shall be valid or effective unless agreed to and accepted in writing by Landlord.

22. ALTERATIONS:

(a) Subject to the next sentence, Tenant shall not make any alterations, additions or improvements in or to the Premises or any part thereof, or attach any fixtures or equipment thereto, without Landlord's prior written consent (which will not be unreasonably withheld or delayed). Notwithstanding the preceding sentence, Tenant may make such alterations, additions or improvements without Landlord's consent only if (i) such alterations, additions or improvements will be in compliance with all applicable laws, codes, rules, regulations and ordinances, (ii) such alterations, additions or improvements will not reduce the fair market value of the Premises, considered as unencumbered by this Lease, and (iii) such alterations, additions or improvements will not affect in any way the structural, exterior or roof elements of the Premises or mechanical, electrical, plumbing, utility or life safety systems of the Premises, but Tenant shall give prior written notice of any such alterations, additions or improvements to Landlord. Tenant shall have the right to erect signs on the Premises in accordance with applicable laws, ordinances and regulations. In no event shall Tenant be permitted to install underground storage tanks or fuel systems on the Premises.

(b) All alterations, additions or improvements requiring Landlord's consent shall be made at Tenant's sole cost and expense as follows:

(i) Tenant shall submit to Landlord, for Landlord's written approval, complete plans and specifications for all work to be done by Tenant. Such plans and specifications shall be prepared by licensed architect(s) and engineer(s) approved in writing by Landlord, shall comply with all applicable codes, ordinances, rules and regulations, shall not adversely affect the structural elements of the Premises, shall be in a form sufficient to secure the approval of all government authorities with jurisdiction over the Premises, and shall be otherwise satisfactory to Landlord in Landlord's reasonable discretion.

(ii) Landlord shall notify Tenant in writing within ten (10) business days whether Landlord approves, approves on condition that Tenant reverse the alteration at Tenant's expense at the termination or expiration of this Lease, or disapproves such plans and specifications; Landlord shall describe the reasons for any such disapproval. If Landlord does not respond within such ten (10) business day period, Tenant may send a second notice, prominently marked "Second Notice--Failure to Respond Within Ten Days Shall Be Deemed Approval"; if Landlord does not respond within ten (10) business days after such second notice, Landlord shall be deemed to have approved such plans and specifications. Tenant may submit to Landlord revised plans and specifications for Landlord's prior written approval, which approval shall not be withheld or delayed if (a) the work to be done would not, in Landlord's reasonable judgment, adversely affect the value, character,

rentability or usefulness of the Premises or any part thereof, or (b) the work to be done shall be required by any Law (hereinafter defined). Tenant shall pay all costs, including the fees and expenses of the licensed architect(s) and engineer(s), in preparing such plans and specifications.

(iii) All changes in the plans and specifications approved by Landlord shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld or delayed.. If Tenant wishes to make such change in approved plans and specifications, Tenant shall have such architect(s) and engineer(s) prepare plans and specifications for such change and submit them to Landlord for Landlord's written approval. Landlord shall notify Tenant in writing promptly whether Landlord approves, approves on condition that Tenant reverse the alteration at Tenant's expense at the termination or expiration of this Lease, or disapproves such change and, if Landlord disapproves such change, Landlord shall describe the reasons for disapproval. Tenant may submit to Landlord revised plans and specifications for such change for Landlord's written approval. After Landlord's written approval of such change, such change shall become part of the plans and specifications approved by Landlord.

(iv) Tenant shall obtain and comply with all building permits and other government permits and approvals required in connection with the work. Tenant shall, through Tenant's licensed contractor, perform the work substantially in accordance with the plans and specifications approved in writing by Landlord. Tenant shall pay, as Additional Rent, the entire cost of all work (including the cost of all utilities, permits, fees, taxes, and property and liability insurance premiums in connection therewith) required to make the alterations, additions or improvements. Under no circumstances shall Landlord be liable to Tenant for any damage, loss, cost or expenses incurred by Tenant on account of any plans and specifications, contractors or subcontractors, design of any work, construction of any work, or delay in completion of any work.

(c) Tenant shall give written notice to Landlord of the date on which construction of any work to be done by outside contractors will be commenced at least ten (10) days prior to such date. Tenant shall keep the Premises free from mechanics' and materialmen's liens arising out of any work performed, labor supplied, materials furnished or other obligations incurred by Tenant. Tenant shall promptly and fully pay and discharge all claims on which any such lien could be based, and, upon Landlord's request, Tenant shall bond against all such liens prior to commencement of such work by a bond in form and issued by a surety reasonably satisfactory to Landlord. Landlord shall have the right to post and keep posted on the Premises any notices that may be provided by law or which Landlord may deem to be proper for the protection of Landlord and the Premises from such liens, and to take any other action Landlord deems necessary to remove or discharge liens or encumbrances at the expense of Tenant.

(d) All alterations, additions, fixtures and improvements, whether temporary or permanent in character, made in or to the Premises by Tenant, shall become part of the Premises and Landlord's property. Upon termination or expiration of this Lease, Tenant shall, at Tenant's expense, remove all movable furniture, equipment, trade fixtures, office machines and other

personal property (including Tenant's Trade Fixtures) from the Premises and repair all damage caused by such removal. Termination of this Lease shall not affect the obligations of Tenant pursuant to this paragraph 22(d) to be performed after such termination.

23. MEMORANDUM OF LEASE: The parties agree to promptly execute a Memorandum of Lease in recordable form and either of the parties shall have the right, without notice to the other party, to record such Memorandum of Lease.

24. SUBLETTING/ASSIGNMENT:

(a) Tenant shall not, directly or indirectly, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed, assign this Lease or any interest herein or sublease the Premises or any part thereof, or permit the use or occupancy of the Premises by any person or entity other than Tenant, provided that no consent shall be required for any assignment or sublease which otherwise complies with this paragraph 24 to an entity controlling, controlled by or under common control with the Tenant. This Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant involuntarily or by operation of law without the prior written consent of Landlord or, except to an affiliate of Tenant, during any Renewal Term. Any of the foregoing acts without such prior written consent of Landlord shall be void and shall, at the option of Landlord, constitute a default that entitles Landlord to terminate this Lease. Tenant agrees that the instrument by which any assignment or sublease to which Landlord consents is accomplished shall expressly provide that the assignee or subtenant will perform all of the covenants to be performed by Tenant under this Lease (in the case of a sublease, only insofar as such covenants relate to the portion of the Premises subject to such sublease) as and when performance is due after the effective date of the assignment or sublease and that Landlord will have the right to enforce such covenants directly against such assignee or subtenant. Any purported assignment or sublease without an instrument containing the foregoing provisions shall be void. Tenant shall in all cases remain liable for the performance by any assignee or subtenant of all such covenants.

(b) If Landlord consents in writing, Tenant may complete the intended assignment or sublease subject to the following conditions with respect to the Primary Term only: (a) no assignment or sublease shall be valid and no assignee or subtenant shall take possession of the Premises or any part thereof until an executed duplicate original of such assignment or sublease, in compliance with paragraph 24(a), has been delivered to Landlord, (b) no assignee or subtenant shall have a right further to assign or sublease, and (c) so long as there is no Event of Default under this Lease, Tenant shall be entitled to 50% of the profit on any subletting; at all other times, Landlord shall be entitled to 100% of any such profit..

(c) No assignment or sublease whatsoever shall release Tenant from Tenant's obligations and liabilities under this Lease (which shall continue as the obligations of a principal and not of a guarantor or surety) or alter the primary liability of Tenant to pay all Rent and to perform all obligations to be paid and performed by Tenant. The acceptance of Rent by Landlord from any

other person or entity shall not be deemed to be a waiver by Landlord of any provision of this Lease. Consent to one assignment or sublease shall not be deemed consent to any subsequent assignment or sublease. If any assignee, subtenant or successor of Tenant defaults in the performance of any obligation to be performed by Tenant under this Lease, Landlord shall, prior to exercising any remedies hereunder for such default, notify Tenant in writing of the default and shall provide Tenant with the opportunity to cure the same for the cure period, if any, provided herein for such default, then Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor.

(d) Subject to Tenant's approval (which shall not be unreasonably withheld, delayed or conditioned) of the design for installing antennae on the roof of the Real Property, Tenant hereby consents to Landlord leasing space on the roof of the Real Property to one or more telecommunications companies, and Tenant agrees that Landlord shall be entitled to all rents arising from such leases, and any renewals or modifications thereof. Tenant agrees to permit representatives of lessees of roof space access to the Real Property and Improvements to install, construct, maintain, adjust, repair and modify their antennae, all without charge during normal business hours but subject to Tenant's customary security procedures and in a manner to not unreasonably interfere with Tenant's business activities, and with a charge equal to the actual cost of additional security personnel required in the event any such lessee requires access outside of normal business hours. As between Landlord and Tenant, Landlord shall be responsible for the cost of repairing any damage to the roof resulting from the installation, maintenance, adjustment, operation or modification of any antenna leased to persons other than Tenant. Tenant shall cooperate with such lessees in the installation and operation of their equipment (which may include separate electric service and stand-by generators). Landlord shall use its best efforts to cause each lessee of roof space to locate its equipment, tools and parts used in connection with the roof antennae to be located either on the roof or in a structure to be built on the Land Parcel by such lessee (with the cooperation but not at the cost of Tenant); if Landlord is unable to make such arrangements, then Tenant shall make approximately 350 square feet of space inside the Improvements available without charge to store equipment, tools and parts (at the sole risk of the owner thereof) used in connection with the roof antennae. Tenant shall have the right, without payment of additional rent, to install an antenna on the roof of the Improvements for its own use, subject to the reasonable requirements of the Landlord to avoid damage to the roof or unreasonably interfere with other antennae, provided that Tenant shall be responsible for the cost of repairing any damage to the roof resulting from the installation, maintenance, operation, adjustment, repair or modification of any antenna system installed for Tenant's own use.

(e) A merger or consolidation of Tenant with another entity, the sale of substantially all the assets (which shall mean, without limitation, the sale of the Tenant's pipeline assets) of Tenant to another entity, the replacement of more than 50% of the members of the board of directors within one year by members not nominated by the pre-existing board or its nominating committee, or the acquisition of ownership of 50% of more of voting securities of Tenant by any person or related group of persons (other than existing management of Tenant) within one year shall be deemed to be an assignment within the meaning of this paragraph 24. If one of the foregoing events occurs,

Tenant shall promptly notify Landlord of such occurrence and shall make, and is hereby deemed to have made, an irrevocable offer to purchase the Premises at a price equal to the greater of (x) \$10,800,000, or (y) the fair market value of the Premises, determined in accordance with paragraph 26. Landlord shall have forty-five (45) days from the date of such offer to accept or reject such offer. If Landlord rejects or is deemed to have rejected such offer, this Lease shall continue in full force and effect. Unless Landlord accepts such offer by notice given within such 45 day period, Landlord shall be deemed to have rejected such offer. If Landlord accepts such offer by notice to Tenant within such 45 day period, the closing for the purchase and sale of the Premises shall occur within forty-five (45) days of Landlord's notice accepting such offer. At the closing, Landlord shall, upon payment of the purchase price, transfer the Premises to Tenant by quitclaim deed, subject only to this Lease and liens and encumbrances existing at the time of Landlord's acquisition of the Premises from Tenant and any additional liens or encumbrances to which Tenant has consented or which arose from Tenant's failure to perform any obligation under this Lease. All costs associated with such transfer, including transfer taxes and Landlord's reasonable out of pocket costs (including reasonable attorney's fees) shall be paid by Tenant.

25. HAZARDOUS MATERIAL:

(a) Tenant (i) shall comply, and cause the Premises to comply, with all Environmental Laws (as hereinafter defined) applicable to the Premises (including the making of all submissions to governmental authorities required by Environmental Laws and the carrying out of any remediation program specified by such authority), (ii) shall prohibit the use of the Premises for the generation, manufacture, refinement, production, or processing of any Hazardous Material (as hereinafter defined) or for the storage, handling, transfer or transportation of any Hazardous Material (other than in connection with the customary operation, business and maintenance of the Premises as an office building, such as photocopier toner and floor cleaning supplies, and in commercially reasonable quantities as a consumer thereof in compliance with Environmental Laws), (iii) shall not permit to remain, install or permit the installation on the Premises of any surface impoundments, underground storage tanks, pcb-containing transformers or asbestos-containing materials, and (iv) shall cause any alterations of the Premises to be done in a way so as to not expose in an unsafe manner the persons working on or visiting the Premises to Hazardous Materials and in connection with any such alterations shall remove any Hazardous Materials present upon the Premises which are not in compliance with Environmental Laws or which present a danger to persons working on or visiting the Premises.

(b) "Environmental Laws" means the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§ 6901, et seq. (RCRA), as amended, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq. (CERCLA), as amended, the Toxic Substance Control Act, as amended, 15 U.S.C. §§ 2601 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. §§ 136 et seq., and all applicable federal, state and local environmental laws, ordinances, rules and regulations, as any of the foregoing may have been or

may be from time to time amended, supplemented or supplanted, and any other federal, state or local laws, ordinances, rules and regulations, now or hereafter existing relating to regulations or control of Hazardous Material or materials. The term "Hazardous Materials" as used in this Lease shall mean substances defined as "hazardous substances", "hazardous materials", "hazardous wastes" or "toxic substances" in any applicable federal, state or local statute, rule, regulation or determination, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. "9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801, et seq.; the Resource, Conservation and Recovery Act of 1976, 42 U.S.C. "6901, et seq.; and, asbestos, pcb's, radioactive substances, methane, volatile hydrocarbons, petroleum or petroleum-derived substances or wastes, radon, industrial solvents or any other material as may be specified in applicable law or regulations.

(c) Tenant agrees to protect, defend, indemnify and hold harmless Landlord, its directors, officers, employees and agents, and any successors to Landlord's interest in the chain of title to the Premises, their direct or indirect partners, directors, officers, employees, and agents, from and against any and all liability, including all foreseeable and all unforeseeable damages including but not limited to attorney's and consultant's fees, fines, penalties and civil or criminal damages, directly or indirectly arising out of the use, generation, storage, treatment, release, threatened release, discharge, spill, presence or disposal of Hazardous Materials from, on, at, to or under the Premises prior to or during the Term of this Lease (except for releases or discharges caused by Landlord or its agents) and including, without limitation, the cost of any required or necessary repair, response action, remediation, investigation, cleanup or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Premises. This agreement to indemnify and hold harmless shall be in addition to any other obligations or liabilities Tenant may have to Landlord at common law under all statutes and ordinances or otherwise, and shall survive following the date of expiration or earlier termination of this Lease for five years, except where the event giving rise to the liability for which indemnity is sought arises out of Tenant's acts, in which case the agreement to indemnify shall survive the expiration or termination of this Lease without limit of time. Tenant expressly agrees that the representations, warranties and covenants made and the indemnities stated in this Lease are not personal to Landlord, and the benefits under this Lease may be assigned to subsequent parties in interest to the chain of title to the Premises, which subsequent parties in interest may proceed directly against Tenant to recover pursuant to this Lease. Tenant, at its expense, may institute appropriate legal proceedings with respect to environmental matters of the type specified in this paragraph 25(c) or any lien for such environmental matters, not involving Landlord or its Mortgagee as a defendant (unless Landlord or its mortgagee is the alleged cause of the damage), conducted in good faith and with due diligence, provided that such proceedings shall not in any way impair the interests of Landlord or Mortgagee under this Lease or contravene the provisions of any first mortgage. Counsel to Tenant in such proceedings shall be reasonably approved by Landlord if Landlord is a defendant in the same proceeding. Landlord shall have the right to appoint co-counsel, which co-counsel will cooperate with Tenant's counsel in such proceedings. The fees and expenses of such co-counsel shall be paid by Landlord, unless such co-counsel are appointed

because the interests of Landlord and Tenant in such proceedings, in such counsel's opinion, are or have become adverse, or Tenant or Tenant's counsel is not conducting such proceedings in good faith or with due diligence.

(d) Tenant, upon two (2) days prior notice, shall permit such qualified and licensed environmental consultants as Landlord or any assignee of Landlord may designate and (unless an Event of Default has occurred and is continuing) approved by Tenant, which approval shall not be unreasonably withheld or delayed ("Site Reviewers"), to visit the Premises from time to time and perform environmental site investigations and assessments ("Site Assessments") on the Premises for the purpose of determining whether there exists on the Premises any environmental condition which may result in any liability, cost or expense to Landlord or any other owner or occupier of the Premises. Such Site Assessments shall be conducted in a manner designed to minimize interference with Tenant's operations. Such Site Assessments may include both above and below the ground testing for environmental damage or the presence of Hazardous Material on the Premises and such other tests on the Premises as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Tenant shall supply to the Site Reviewers such historical and operational information regarding the Premises as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments (other than information previously supplied in writing to Landlord by Tenant) and shall make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The Site Reviewers shall be responsible for restoring the Premises as nearly as practicable to their condition immediately prior to the Site Assessment. The cost of performing and reporting all Site Assessments shall be paid by Landlord unless an Event of Default has occurred and is continuing or unless the Site Reviewers discover an environmental condition causing the Premises not to be in compliance with applicable Environmental Laws, in either of which events such cost will be paid by Tenant within ten (10) business days after written demand by Landlord with interest to accrue at the Overdue Rate. Landlord, promptly after written request by Tenant and payment by Tenant to the extent required as aforesaid, shall deliver to Tenant copies of reports, summaries or other compilations of the results of such Site Assessments. Tenant's sole remedy for Landlord's breach of the preceding sentence shall be a mandatory injunction, and not a termination of this Lease or a withholding or reduction of Rent. If a Site Assessment conducted under this paragraph 25(d) indicates that the Premises are in violation of Environmental Laws or otherwise do not conform to the requirements of this paragraph 25 at the time the Term is expiring or being terminated, the Term shall be, at Landlord's option, extended for the period of remediation of such violation or nonconformity and shall not expire until twelve months after notice from Tenant specifying the date such remediation shall be completed, and the remediation is in fact completed before the expiration of such twelve month period. All of the terms, covenants and conditions of this Lease shall continue in full force and effect during the period of any such extension. Upon completion of such remediation within the notice period provided above, this Lease and the obligations of Tenant hereunder (except those that accrued prior to such date) shall terminate.

(e) Tenant shall notify Landlord in writing, promptly upon Tenant's learning thereof, of any:

(i) notice or claim to the effect that Tenant is or may be liable to any Person as a result of the release or threatened release of any Hazardous Material into the environment from the Premises;

(ii) notice that Tenant is subject to investigation by any governmental authority evaluating whether any remedial action is needed to respond to the release or threatened release of any Hazardous Material into the environment from the Premises;

(iii) notice that the Premises are subject to an environmental lien; and

(iv) notice of violation to Tenant or awareness by Tenant of a condition which might reasonably result in a notice of violation of any applicable Environmental Law that could have a material adverse effect upon the Premises.

26. DETERMINATION OF FAIR MARKET VALUE.

Fair market rental value for purposes of setting Renewal Term Fixed Rent and determination of fair market value of the Premises for purposes of paragraph 24(e) is intended to be determined by the agreement of Landlord and Tenant in a face-to-face meeting to be held not more than seven nor less than six months before the end of the Primary Term or First Renewal Term, as the case may be, in the case of determining fair market rental value, and held within ten (10) business days after one of the triggering events described in paragraph 24(e). If the parties cannot agree on fair market rental value within two weeks or on fair market value within two business days, the parties shall jointly designate a disinterested appraiser who has at least five years of experience in the appraisal of real property in Massachusetts and who is a member of a nationally recognized appraisal association. Each party shall then provide to such appraiser a single annual rental figure or fair market value number, as the case may be, and a brief description of the basis for such number. For purposes of determining Renewal Term Rent, the Premises shall be deemed to exclude any capital improvement (as opposed to replacements or upgrades of tenant finishes), not required to be made by the terms of this Lease or by applicable law, which individually costs more than \$100,000, and the appraiser shall assume that such improvement was replaced by the functional equivalent improvement of a character found in first class office buildings. The appraiser shall select one or the other of such numbers as being the closer to his or her estimate of fair market rental value of the Premises for a five year term on the terms of this Lease or fair market value, as the case may be. Such choice shall be binding on the parties. The cost of the appraiser shall be shared equally by Landlord and Tenant.

27. MISCELLANEOUS PROVISIONS:

(a) This Lease and all of the covenants and provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and the heirs, personal representatives, successors and permitted assigns of the parties.

(b) The titles and headings appearing in this Lease are for reference only and shall not be considered a part of this lease or in any way to modify, amend or affect the provisions thereof.

(c) This Lease contains the complete agreement of the parties with reference to the leasing of the Premises, and may not be amended except by an instrument in writing signed by Landlord and Tenant and consented by Mortgagee (if any).

(d) Any provision or provisions of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

(e) This Lease may be executed in one or more counterparts, and may be signed by each party on a separate counterpart, each of which, taken together, shall be an original, and all of which shall constitute one and same instrument.

(f) The term "Landlord" as used in this Lease shall mean only the owner or owners at the time in question of the Premises and in the event of any transfer of such title or interest, Landlord named in this Lease (and in case of any subsequent transfers, then the grantor) shall be relieved from and after the date of such transfer of all liability as respects Landlord's obligations thereafter to be performed hereunder, provided that any funds in the hands of Landlord or the then grantor at the time of such transfer, in which Tenant has an interest, shall be delivered to the grantee. The obligations contained in this Lease to be performed by Landlord shall, subject as aforesaid, be binding on Landlord's successors and assigns, only during their respective periods of ownership.

(g) This Lease shall be governed by and construed and enforced in accordance with and subject to the laws of the state where the Premises are located.

(h) Any claim based on or in respect of any liability of Landlord under this Lease shall be enforced only against the Premises and not against any other assets, properties or funds of (1) Landlord or any director, officer, shareholder, general partner, limited partner, or direct or indirect partners, employee or agent of Landlord or its general partners (or any legal representative, heir, estate, successor or assign of any thereof), (2) any predecessor or successor partnership or corporation (or other entity) of Landlord or its general partners, either directly or through Landlord or its predecessor or successor partnership or corporation (or other Person) of Landlord or its general partners, and (3) any other person.

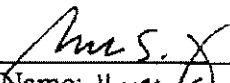
(i) Without the written approval of Landlord and Tenant, no Person other than Landlord (including its direct and indirect partners), Mortgagee, Tenant and their respective successors and assigns shall have any rights under this Lease.

(j) There shall be no merger of the leasehold estate created hereby by reason of the fact that the same Person may own directly or indirectly, (1) the leasehold estate created hereby or any interest in this Lease or such leasehold estate and (2) the fee estate in the Premises. Notwithstanding any such combined ownership, this Lease shall continue in full force and effect until terminated by an instrument executed by both Landlord and Tenant.

(k) If, without objection by Landlord, Tenant holds possession of the Premises after expiration of the Term of this Lease, Tenant shall become a tenant from month to month upon the terms herein specified but at a Fixed Rent equal to one hundred fifty percent (150%) of the Fixed Rent in effect at the expiration of the Term of this Lease pursuant to paragraph 4 payable in advance on or before the first day of each month. Such month to month tenancy may be terminated by either Landlord or Tenant by giving thirty (30) days' written notice of termination to the other at any time, except as otherwise provided in paragraph 25(d).

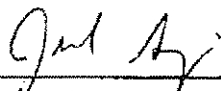
IN WITNESS WHEREOF, the parties have hereunto set their hands under seal on the day and year first above written.

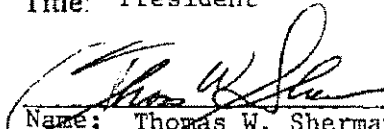
TriNet Essential Facilities XXIII, Inc.
Landlord

By: 
Name: Mark S. Whiting
Title: President

By: _____
Name: _____
Title: _____

Bay State Gas Company
Tenant

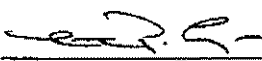
By: 
Name: Joel L. Singer
Title: President

By: 
Name: Thomas W. Sherman
Title: Executive Vice President
and Treasurer

IN WITNESS WHEREOF, the parties have hereunto set their hands under seal on the day and year first above written.

TriNet Essential Facilities XXIII, Inc.
Landlord

By: _____
Name:
Title:

By:  _____
Name: Gary P. Lyon
Title: Vice President

Bay State Gas Company
Tenant

By: _____
Name:
Title:

WIGHT & COMPANY

TENANT NOTICE LETTER

NOVEMBER 12, 2004

To: Bay State Gas Company
300 Friberg Parkway
Westborough, MA 01581-3900
Attn: Jim Keshian, Esq.

And

NiSource, Inc.
801 East 86th Avenue
Merrillville, IN 46410
Attn: Patricia LoCascio, Real Estate

Dear Tenant:

As you know, Oasis Friberg Parkway Westborough LLC has financed the Property referenced on the attached distribution list. We appreciate the help you have provided in connection with this activity to date, and want to assure you that we do not anticipate that the financing will impact you significantly going forward. However, there are minor procedural changes which are required. Please note:

1. The names on escrow/reserve accounts associated with the above-referenced loan are being changed to conform with the following format:
Wight & Company, Inc./iStar Financial Inc./Lockbox. Any interest on the accounts will continue to accrue to the benefit of Borrower, as it has previously;
2. **We request that you provide new insurance certificates** for all policies naming Oasis Friberg Parkway Westborough LLC and Wight & Company, Incorporated as additional insured and iStar Financial Incorporated as successor mortgagee or additional insured as applicable, with the additional insured box indicating that the certificates are to be mailed to

Oasis Friberg Parkway Westborough LLC
c/o Wight & Company, Incorporated
10 Cedar Street
Woburn, MA 01801

and also to

WIGHT & COMPANY, INCORPORATED
10 Cedar Street • Woburn • Massachusetts • 01801
TEL 978-3555 • FAX 978-3555
wightcoinc@aol.com

iStar Asset Services, Inc.
180 Glastonbury, CT 06033
Attn: Molly Toomey

3. All future payments should be wired to the following account:

JP Morgan Chase Bank
ABA No. 021000021
Account Name: Wight & Company, Incorporated
Account Number: 230-384617
Reference: Oasis Friberg Parkway Westborough LLC

4. All future notices to be given Lender under any of the lease documents pertaining to evidencing the above-referenced Property shall be given as follows:

Chief Financial Officer
iStar Financial
1114 Avenue of the Americas, 27th Floor
New York City, NY 10036

with a copy to:

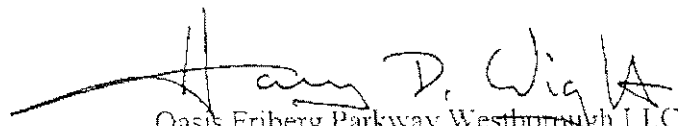
Oasis Friberg Parkway Westborough LLC
C o Wight & Company, Incorporated
10 Cedar Street
Woburn, MA 01801

with an additional copy to:

Peter Caro
Casner & Edwards, LLP
303 Congress Street
Boston, MA 02210

Please do not hesitate to call if you have any questions, and thank you in advance for your cooperation.

Very truly yours.



Oasis Friberg Parkway Westborough LLC
By Wight & Company, Incorporated As Agent
By Harry D. Wight its President

NOTICE TO TENANTS

November 12, 2004

Bay State Gas Company
300 Friberg Parkway
Westborough, MA 01581-3900
Attn: Jim Keshian, Esq.

And

NiSource, Inc.
801 East 86th Avenue
Merrillville, IN 46410
Attn: Patricia LoCascio, Real Estate

Dear Tenant:

You are hereby notified that iStar CTL I, L.P. ("**Seller**"), the current owner of 300 Friberg Parkway in Westborough, Massachusetts (the "**Property**") and the current owner of the landlord's interest in your lease in the Property, has sold the Property to Oasis Friberg Parkway Westborough LLC ("**New Owner**"), as of the above date. In connection with such sale, Seller has assigned and transferred its interest in your lease and your security deposit thereunder in the amount of \$0.00 (the "**Security Deposit**") to New Owner, and New Owner has assumed and agreed to perform all of the landlord's obligations under your lease (including any obligations set forth in your lease or under applicable law to repay or account for the Security Deposit) from and after such date. New Owner acknowledges that New Owner has received and is responsible for the Security Deposit.

Accordingly, (a) all your obligations under the lease from and after the date hereof, including your obligation to pay rent, shall be performable to and for the benefit of New Owner, its successors and assigns, and (b) all the obligations of the landlord under the lease, including any obligations thereunder or under applicable law to repay or account for the Security Deposit, shall be the binding obligation of New Owner and its successors and assigns. Unless and until you are otherwise notified in writing by New Owner, the address of New Owner for all purposes under your lease is:

Oasis Friberg Parkway Westborough LLC
c/o Wight & Company, Incorporated
10 Cedar Street
Woburn, MA 01801

ATL01/11775112v1

Tenant Notice
300 Friberg Parkway

Very truly yours,

SELLER:

STAR CTL I, L.P., a Delaware limited
partnership

By: **STAR CTL I GENPAR, INC.**, a Delaware
corporation, general partner

By: 

Name: **Jeffrey N. Brown**

Title: **Senior Vice President**

11/15/2004 11:18 FAX

0034
Bay State Gas Company
D.T.E. 05-27
Attachment AG-3-42 (2b)
Page 5 of 5

011

11/10/2004 11:09 FAX

OWNER:

OASIS FRIBERG PARKWAY
WESTBOROUGH LLC, a Delaware limited
liability company

By: _____

Name: _____

Title: _____

Jodie Smith
Jodie Smith
Authorized Signatory

ASSET MANAGEMENT AGREEMENT

Asset Management Agreement dated as of June 1, 1997 between TRINET ESSENTIAL FACILITIES XXIII, INC. ("Manager") and BAY STATE GAS COMPANY ("Tenant").

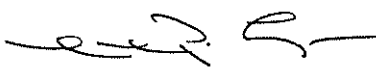
In conjunction with the Lease dated as of June 1, 1997 between Manager, as landlord, and Tenant, as tenant (the "Lease"), and particularly with reference to paragraph 8 thereof, the parties have entered into this agreement. In consideration of the asset management fee hereinafter referred to, Manager hereby agrees and undertakes, all as more fully described in the Lease, to maintain the structure of the building, to assume responsibility for replacement of the roof during the Term of the Lease but only after the sixth lease year, and to pay for any capital improvement to Friberg Parkway, a private road which serves the property which is the subject of the Lease. Examples of capital improvements include resurfacing of and relocating culverts under Friberg Parkway. Tenant remains liable in accordance with the terms of the lease for regular maintenance of Friberg Parkway, such as patching, striping and snow/ice removal.

In consideration of Manager's undertaking to perform and pay for such obligations, Tenant agrees to pay an annual asset management fee, payable monthly in advance, initially at the annual rate of \$28,194 through June 30, 2000. For the period July 1, 2000 through June 30, 2003, the annual fee is \$30,809; for the period July 1, 2003 through June 30, 2006, the annual fee is \$32,665; for the period from July 1, 2006 through June 30, 2009, the annual fee is \$36,787; and for the period from July 1, 2009 through June 30, 2012, the annual fee is \$40,198; during any Renewal Term of the Lease, the annual fee will be an amount equal to 3% of the annual Fixed Rent payable under the Lease during such Renewal Term. The asset management fee will not be reduced if Friberg Parkway becomes a public road. The asset management fee will terminate upon expiration of the Lease or upon any earlier termination, except a termination because of default by Tenant thereunder. If an Event of Default occurs under the Lease, in addition to all remedies available to the landlord thereunder, Tenant shall pay to Manager the present value of all unpaid asset management fees to become due hereunder through June 30, 2012 determined using a discount rate equal to the Federal Reserve discount rate in effect at the Federal Reserve Bank of Boston plus 1%, together with Manager's costs (including reasonable attorney's fees) incurred in connection with the collection thereof. If such event of default is subsequently cured, the payments contemplated by the preceding

sentence made, and the Lease reinstated, the Manager shall thereafter perform its obligations hereunder through June 30, 2012 without further compensation from Tenant. If the event of default is not cured and the Lease is terminated, the payment of discounted future asset management fees shall be final liquidated damages for breach of this contract.

IN WITNESS WHEREOF, the parties hereto have caused this Asset Management Agreement to be duly executed as of June 1, 1997.

TRINET ESSENTIAL FACILITIES XXIII, INC.

By:  _____

BAY STATE GAS COMPANY

By: _____

TRINET ESSENTIAL FACILITIES XXIII, INC.

By: _____

BAY STATE GAS COMPANY

By: Jan A.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
ELEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: July 13 , 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-11-11 Referring to the Company's 2004 Annual Return to the Department, page 27, line 17, please provide a complete and detailed description of the nature of the L/T Asset - Pension and the reasons that it is recorded as a deferred debit.

Response: The December 31, 2004 balance sheet includes the following accounts and balances related to the Pension Plan.

Intangible Asset (Account 186)	\$6,765,000
OCI Deficit (Account 216)	\$18,388,000
SERP Pension Liability (Account (261-265)	(\$2,930,173)
Union/Non-Union Pension Liability (Account 261-265)	<u>(\$9,475,757)</u>
Net Balance Sheet Impact	\$12,747,070

The difference between cumulative expense and cash contributions results in a prepaid-or accrued- contribution on the balance sheet for Pensions. At December 31, 2004, Bay State has contributed \$12,747,070 more into the various Pension trust funds than has been recorded as Pension expense over time. This net prepaid position is reflective of all 3 Pension plans – Union Employee Plan, Non-Union Employee Plan and the Supplemental Employee Retirement Plan.

As stated on pages 49 and 50 of my testimony, Bay State is required to record an “additional minimum liability” (AML) to the extent that the Accumulated Pension Benefit Obligation exceeds the value of the related trust assets. As part of recording the AML, an intangible asset is recorded so that the net worth of the company is not affected by the recognition of the AML.

Absent the requirement to record the AML, Bay State would have a net Pension asset recorded at December 31, 2004 of \$12,747,070.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWELFTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: July 13, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-12-7 Referring to Exhibit BSG/SAB-1, page 5, lines 19-20, please provide copies of the last two analyses of NiSource's compensation and benefits plans that Hewitt Associates prepared for NiSource.

Response:

Please refer to the Company's response to information request AG-12-24 for the results of the benefits plan analyses performed in 2005 and 2003.

Please refer to the Company's response to AG-12-9 for information on the base pay management program and AG-12-11 for the results of the base pay project.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWELFTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: July 13, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-12-8 Referring to Exhibit BSG/SAB-1, page 6, please provide a complete copy of Hewitt's analysis referred to on this page.

Response:

Please refer to the Company's responses to information request AG-12-9 for information on the base pay management program, AG-12-11 for the results of the base pay project and AG-12-24 for the benefits analysis.